



**AN EXPLORATORY STUDY ON THE NATURE OF CROSS SELLING IN
THE ISLAMIC FINANCIAL SERVICES INDUSTRY (IFS)**

*Draft for PhD Thesis submitted as part requirement for the degree of PhD in Business and
Management of the University of Salford, 2019.*

Hamid Mahmood Ahmad

Student ID: @00407606

1st Supervisor: Dr. Muhammad Amjad

2nd Supervisor: Dr. James Mulkeen

Table of Contents

ACKNOWLEDGEMENT.....	1
ABSTRACT.....	3
CHAPTER 1. INTRODUCTION.....	4
1.1 RESEARCH CONTEXT AND MOTIVATION	4
1.2. RESEARCH FOCUS AND OBJECTIVES	5
1.3 CROSS SELLING LITERATURE AND THESIS STRUCTURE.....	7
CHAPTER 2. LITERATURE REVIEW	14
2.1. INTRODUCTION	14
2.2. CROSS SELLING.....	14
2.3. GROWTH AND CROSS SELLING	16
2.4. LOCATING CROSS SELLING WITHIN BROADER LITERATURE.....	19
2.4.1. Information Technology (IT) And Cross Selling	21
2.4.2. Customer Relationship Management (CRM) and Cross Selling	23
2.5. CROSS SELLING LITERATURE WITHIN FINANCIAL AND NON-FINANCIAL INDUSTRY	32
2.5.1. Sequential Purchase Analysis for Cross Selling.....	32
2.5.2. Predictive Analysis for Cross Selling.....	35
2.5.3. Customer Life Cycle Classification for Cross Selling	37
2.5.4. Economic Order Quantity and Cross Selling.....	37
2.5.5. Customer Relationship Management (CRM) and Cross Selling	38
2.5.6. Pricing and Cross Selling.....	39
2.5.7. Other Relevant Studies on Cross Selling.....	42
2.6. UNDERSTANDING ISLAMIC FINANCE.....	45
2.6.1. Sharia Context and Relevance.....	45
2.6.2. Islamic Finance: Industry Overview	47
2.6.3. Islamic Financial Service Industry (IFSI) and Cross Selling	48
2.7. EMERGING RESEARCH GAPS AND POTENTIAL CONTRIBUTION	55
2.7.1. Intended Research Gaps Informing the Nature of Cross Selling in IFSI	58
2.7.2 Research Aim And Objectives	59
CHAPTER 3. RESEARCH METHODOLOGY	61
3.1. INTRODUCTION	61
3.2. RESEARCH PHILOSOPHY.....	61
3.3. RESEARCH APPROACH AND METHOD.....	64
3.3.1. Inductive and Deductive Theory	65
3.3.2. Research Methods.....	66
3.4. RESEARCH STRATEGIES.....	67
3.5. DATA COLLECTION AND ANALYSIS	69
3.5.1. Semi Structured Interview Guide.....	72
3.5.2. Case Selection And Unit of Analysis	74
3.5.3. Interviewees: Executive and Senior Managers.....	76
3.5.4. Quoting and Referencing Interview Respondents	77
3.5.5. Data Analysis	78
3.5.6. Research Design Overview.....	82

CHAPTER 4. FINDINGS OF RESEARCH.....	85
4.1. INTRODUCTION	85
4.2 REASONS FOR IFSI ENGAGEMENT IN CROSS SELLING	86
4.2.1 Attitude Towards Cross Selling in IFSI is Dominantly Positive.....	87
4.2.2. IFSI Has High Cognisance Towards Cross Selling	92
4.2.3. External Factors Induced Cross Selling in IFSI.....	94
4.2.4. Internal Factors Motivates Cross Selling in IFSI	96
4.3 CROSS SELLING EFFORTS IN IFSI.....	100
4.3.1. Identifying Cross Selling Targets is Still a Challenge in IFSI	102
4.3.2. Customer Segmentation for Cross Selling is Very Basic	105
4.3.3. IFSI is Taking Initiatives for Cross Selling Efforts	109
4.3.4. Cross Selling Medium in IFSI.....	120
4.4 CROSS SELLING IN IFSI IS MOSTLY DIFFERENT FROM CONVENTIONAL BANKS	121
4.4.1. Conventional Banks Better in Cross Selling Than IFSI.....	123
4.4.2. Cross Selling Challenges in IFSI are Different From Conventional Banks	127
4.4.3. Objective for Cross Selling in IFSI is Same as Conventional Banks.....	142
4.4.4. Tier 1 Islamic Banks Are Better in Achieving Required Cross Selling.....	143
CHAPTER 5. DISCUSSION OF FINDINGS.....	145
5.1. INTRODUCTION	145
5.2. REASONS FOR CROSS SELLING IN IFSI	146
5.2.1. Summary	150
5.3 HOW IFSI DOES CROSS SELLING	151
5.3.1 Summary	159
5.4 HOW IS CROSS SELLING IN IFSI COMPARED TO CONVENTIONAL BANKS....	161
5.4.1 Summary	168
5.4 EMERGING CONCEPTUAL FRAMEWORK FOR MANAGERIAL IMPLICATION	170
CHAPTER 6. CONCLUSION.....	173
6.1. INTRODUCTION AND SUMMARY OF RESEARCH FINDINGS	173
6.2. THEORETICAL CONTRIBUTION AND IMPLICATIONS FOR FUTURE RESEARCH	177
6.3. RESEARCH LIMITATIONS.....	179
REFERENCES	180
APPENDIX	193
Ethical Approval Letter	193
Participant Information Sheet	194
Consent Form For Interview Respondents	197
List Of Nodes (Nvivo).....	198

List of Exhibits

Exhibit 1: Thesis Structure.....	10
Exhibit 2: Data Informing Cross Selling Nature in IFSI.....	12
Exhibit 3: Developing of Conceptual Framework.....	13
Exhibit 4: Locating Cross Selling in CRM: Map of CRM Element.....	25
Exhibit 5: Contextual Distribution of Literature in Cross Selling Within The Financial and Non-Financial Industry	33
Exhibit 6: Illustrative Examples of Sharia Contracts for Islamic Financial Instruments..	54
Exhibit 7: Emerging Knowledge Gaps And Research Questions in Existing Literature on Cross Selling.....	56
Exhibit 8: Research Objectives informing the Nature of Cross Selling in IFSI	58
Exhibit 9: Research Onion Metaphor	65
Exhibit 10: Islamic Bank Classification by Assets in USD (Billion)	74
Exhibit 11: Interview Respondent Designation and Bank Tier Category	77
Exhibit 12: Referencing for Interview Respondents.....	78
Exhibit 13: Diversity in the Recommended Phases of Thematic Analysis	80
Exhibit 14: Examples of Developing Codes and Themes From Interviews.....	81
Exhibit 15: Research Design Overview	83
Exhibit 16: Emerging Themes for Reasons why IFSI Engage in Cross Selling.....	86
Exhibit 17: Emerging Themes for how IFSI Engage in Cross Selling	101
Exhibit 18: Emerging Themes for How IFSI Compares to Conventional Banks in Cross Selling	122
Exhibit 19: Discussion Guide For Research Findings	145
Exhibit 20: Emerging Conceptual Framework For Managerial Implication.....	171
Exhibit 21: Issues Affecting in Low Adoption of Cross Selling in IFSI	174

ACKNOWLEDGEMENT

In the name of the God Almighty, the most Magnificent, the most Merciful. First and foremost, I would like to thank God Almighty for His blessings and abundant mercies for giving me the strength, knowledge, ability and opportunity to undertake this research study and to persevere and complete it satisfactorily. Without His blessings, this achievement would not have been possible.

There is nothing I can say enough to thank my parents for their loving support and for their standing for me through all my thick and thin, encouraging me in all of my pursuits and inspiring me to follow my dreams. I am especially grateful to my Late father who supported me emotionally and financially so long as he lived and even after he passed away (May the peace and blessings of Almighty be upon him). I would like to dedicate this work to my parents, to my Late Father Mr Sheikh Mahmood Ahmad, and to my Mother Mrs Ishrat Mahmood Ahmad, whose dreams for me have resulted in this achievement and without their loving and kind upbringing I would not have been able to reach so far. Also To my siblings, Sameer, Wali, and Malik who always stood for me as supporting pillars throughout my research journey.

I would like to express my sincere gratitude and thanks to my PhD Supervisors and mentors Dr. Muhammad Amjad and Dr. James Mulkeen for their continuous support in guiding my research work. I cannot thank them enough for their insightful comments and encouragement, which incited me to widen my research from various perspectives, for their keeping patience with me, for their motivation, and their immense knowledge. Their guidance helped me in all my research and writing of this thesis. I could not have imagined having better supervisors and mentors for my PhD journey.

I take this opportunity to give special thanks to all my friends in UAE who supported me in making my research work a possibility, Jassim Mahadik Bhai, Habib Mohtisham Bhai, Imad Ali Bhai, Ikram Rahman Bhai, Saif Sarwar Bhai, Mohammad Abdullah Bhai, and Brother Yousef AlBakkar. Also my Aunty Mrs Farhat Abdullah Rasheed and Uncle Dr Khalid Abdullah Rasheed for being my host in Dubai and with whom I stayed for my entire study trip in Dubai. Again special thanks to Jassim Mahadik Bhai for being my generous host in Abu Dhabi.

PhD is mostly a lonely journey and having company of sincere supporting friends is always a blessing. I take this opportunity to thank all my friends in the UK, especially all my friends in London who have always been there for me in all my ups and downs. I especially thank them all by names, Nayyar Dar Bhai, Usama Bin Zaid Bhai, Kashif Naveed Bhai, Zeeshan Momin Bhai, Imad Nawaz Bhai, Waseem Shah Bhai, Faran Ijaz Bhai, Arslan Ijaz Bhai, Zeeshan Muhammad Hussain Bhai, Shariq Imam Bhai, Naveed Shaukat Bhai, and Umair Mughal Bhai. Also to all my friends in other parts of the world who were with me in this journey, Adnan Bhai, Shan, Anastasia, Usman Khan Bhai, and Ijlal Iqbal Bhai. I am ever grateful to you all for all your love and support.

Hamid Mahmood Ahmad, February 2019

ABSTRACT

Cross selling is one of the most prominent approaches towards retaining customers in conventional financial industry. The objectives include increase in types of products purchased per customer, increase switching cost, improve market share, long term customer relationship, profitability for financial institutions, and saving cost for customers. Some issues of cross selling have received research attention in conventional finance industry; however, there is a lack of critical exploration of cross selling in the unique context of the Islamic financial services industry (IFSI). This research has endeavored to explore cross selling in the unique context of Islamic financial institutions. This study claims to be the first in its kind to explore the reasons why cross selling is practiced in IFSI, and first to explore how cross selling is practiced in IFSI and the challenges it faces in implementing cross selling. This study also claims to be the first to explore how cross selling in IFSI compares to cross selling in conventional banks.

17 Executive and senior managers were interviewed from 9 Islamic banks in the UAE. Thematic analysis was employed to extract meaningful data from the interviews. The findings of this research implies that cross selling in IFSI, in practical terms, is not exactly the same as in conventional banks due to the sharia inherent issues and differences of policies around working mechanisms within IFSI. The study finds that these issues have further complicated the standardisation and regulatory issues in IFSI for cross selling purposes. This has further manifested into processing and product development issues and as a consequence has limited cross selling potential in IFSI to a certain extent. The study proposes a cross selling conceptual framework for future managerial implication and a guide map for future research to empirically establish the relationship between the elements that interplay to influence cross selling efforts in IFSI.

CHAPTER 1. INTRODUCTION

1.1 RESEARCH CONTEXT AND MOTIVATION

In the last two decades the emphasis on retaining customers and building long term customer relationship is believed to be achieved through the use of cross selling in retail and service industries, and specifically in financial service industry (Kamakura et al., 1991; Kamakura et al., 2003; Larivière and Van den Poel, 2005; Thuring et al., 2012). There is a substantial amount of literature that supports the correlation between customers purchasing more than one product from the same provider and customer profitability, which has made much of the conventional financial industry realise the potential of cross selling their products and services (Ansell et al., 2007; Liu, 2013; Thuring et al., 2012). (See Section 2.2 for cross selling definition).

Additionally, empirical research is needed to evaluate the nature and contribution of cross selling in relatively unique and emerging context of interest-free Islamic financial services industry (IFSI). IFSI refer to a system of banking and finance that complies and conforms with the principles of Islamic law, also known as Sharia. The fundamental principles that regulates the functioning of IFSI are to keep all economic transactions free from '*riba*' (interest), and to mutually share the risk and profit between contracting parties, and to have transparency without elements of '*gharar*' (uncertainties of contracts and transactions), and that transactions are based on an underlying business activity or asset (Muhammad Ridhwan et al., 2014).

Islamic financial industry grew year-on-year by of 11% to 2.4 trillion dollars in assets in 2017 or by CAGR growth of 6% from 2012 (IFDI, 2018). The assets of Islamic funds grew by almost 19% (IFSB, 2018). IFSI is considered as the most prominent emerging industry (Awan and Azhar, 2014). It is proving to be more profit generating than its conventional counterpart and many multinational conventional banks now have their own market share of this industry (Zebal and Saber, 2014). The specific context of Islamic financial industry is also important because of its annual growth size and future projected growth. E&Y (2014) reported that global Islamic banking assets witnessed a compounded annual growth rate (CAGR) of around 17% from 2009 to 2013 and forecast the global profit pool of Islamic banks to triple by 2019.

Despite the growth, the Islamic financial services industry seems to be lagging behind

in Customer Relationship Management (CRM) and cross selling strategies to retain existing customers and acquire new potential customers (Kassim et al., 2009; Kurniati et al., 2015; Naser et al., 2013). Cross selling is conceptually located in the broad area of CRM, where the underline philosophy is customer retention and maintenance of long term customer relationships (Prasongsukarn, 2009; Zablah et al., 2004).

Islamic banks lack customer focus, which is leading to a decrease in customer loyalty (Kassim et al., 2009; Kearney, 2012; Kurniati et al., 2015) and in customer satisfaction (Alsoud and Abdallah, 2013). There has been some amount of research done on the relationship marketing in IFSI (Kassim et al., 2009; Kurniati et al., 2015; Naser et al., 2013; Tameme and Asutay, 2012). However, there is still a lack of studies that discusses the importance of cross selling in the Islamic financial services industry (IFSI). There is academic impartiality and lack of academic attention given to the importance of cross selling within IFSI and the reason is mostly assumed to be the problem of infancy. That is to say cross selling is relatively a very new phenomenon in IFSI, which will need time before receiving academic attention.

This implored to suggest a need for empirical study to establish the nature of cross selling within the IFSI. Given to the unique ethical and religious context of IFSI, there was a need to establish why IFSI engage in cross selling, unlike conventional banks, where the purpose is profiteering and to grow by retaining customers and increase revenue. This helped contribute this study in the contextual perspective of exploring the nature of cross selling in the IFSI and proved a big motivation for this study. Therefore, this study has endeavored to establish the nature of cross selling practices within the IFSI.

1.2. RESEARCH FOCUS AND OBJECTIVES

Narrowing the study further, this study identified knowledge gaps in cross selling literature in the unique context of IFSI. First, there is no known empirical study that explains the impact of supervision and leadership role in influencing cross selling efforts within IFSI. Second, this study did not find any substantial literature that has looked into intra-departmental integration for cross selling efforts in IFSI and how it affects cross selling experience. Intra-departmental integration can be identified as an interaction and communication based activity with collaborating and sharing information flows between departments (Kahn, 1996). Third, training program for

cross selling of Islamic financial products is unknown in IFSI. Fourth, marketing and promoting strategies for cross selling Islamic products is unknown in IFSI. Fifth, there are no empirical studies to suggest the practice of cross selling for banking products in IFSI. Sixth, there are no known empirical studies that elaborates on cross selling efforts in IFSI. The nature of cross selling in IFSI is unknown. Drawing from the discussed knowledge gaps mentioned above, this study explored the nature of cross selling in IFSI. This included exploring how IFSI engage in cross selling and why; How does the top management perceive cross selling in IFSI; How much effort has the IFSI put in cross selling initiative and how serious was it in achieving cross selling goals; And how is cross selling performing in IFSI and how does it compare to conventional banks.

The theoretical contribution of this study lies within exploring the nature of cross selling in regards to why it engages in cross selling, how it does cross selling and finally how does it compares to cross selling in conventional banks. Conventional financial service industry engages in cross selling for a number of reasons. First, It helps retain customers (Kamakura, Ramaswami, and Srivastava, 1991; Kamakura, Wedel, de Rosa, and Mazzon, 2003; Larivière and Van den Poel, 2005; Thuring, Nielsen, Guillén, and Bolancé, 2012). Second, It helps in increase switching cost. (Kamakura et al., 1991; Kamakura et al., 2003; Salazar, 2010; Thuring et al., 2012). Third, It helps in improving market share (Farrell & Klemperer, 2007; Zhao et al., 2013; Kumar, Kee, and Manshor, 2009). Fouth, It helps in improving long term customer relationship (Thuring, Nielsen, Guillén, and Bolancé, 2012; Prasongsukarn, 2009; Zablah, Bellenger, and Johnston, 2004). Fifth, It helps improve profitability for financial institutions (Coyles and Gokey, 2002, 2005; Schmitz et al., 2014).

However, there is no known empirical study to suggest the purpose and nature of cross selling in IFSI, and why and how they engage in cross selling. Therefore, the first objective of this study was to identify why IFSI does cross selling, what is the level of understanding around the importance of cross selling, and to what extent cross selling is recognized in the IFSI as a key for growth strategy. Also there is no known empirical study to suggest the nature of cross selling practice in IFSI, or how it identifies cross selling opportunities. There is a lack of understanding around mechanism for identifying customer propensity for cross selling efforts, and similarly

lack of understanding around organizational role in marketing for cross selling promotions. Therefore, the second objective of this study was to identify how IFSI practices cross selling.

As mentioned previously above, there has been extensive research on cross selling in conventional setting especially in conventional financial industry. This includes identifying sequential order in which, households acquire financial services (Zeithaml and Bitner, 2000; Kamakura et al., 1991; Kamakura et al., 2004; Prinzie and Poel, 2006), developing techniques to predict future customer needs for cross selling (Kamakura et al., 2003; Knott et al., 2002). However, there is a lack of understanding how IFSI relates to conventional financial industry in terms of cross selling, or what differentiates cross selling in IFSI from conventional banks. Therefore the third objective for this study was to evaluate how cross selling in IFSI compares to conventional banks.

Research Aim

Keeping in view of the intended theoretical contribution, this research aims to explore the nature of cross selling in the IFSI.

Research Objectives

1. To explore and understand the reasons why IFSI engages in cross selling?
2. To explore and evaluate how cross selling is practiced in IFSI
3. To evaluate how cross selling in IFSI compares with conventional banks?

1.3 CROSS SELLING LITERATURE AND THESIS STRUCTURE

In recent years the importance of building individual relationship with customers is realized through relationship marketing approach. Cross selling relates to the same concept by way of practically implementing marketing philosophy for effective customer retention and growth. Cross selling promotes growth that addresses market development and market expansion through mainly customer acquisition and retention. Cross selling increases diversity to the small group of profitable customers to increase firm wallet share by means of retaining these profitable customers through cross selling (Pelot, 2010). However, there is a vacuum of empirical studies that should inform the importance of cross selling as one of the major growth strategies in IFSI. Therefore, this study will initially discuss how cross selling contributes in providing internal growth to firms in regards to customer retention and acquisition.

It is long argued academically that business organizations that implement relationship marketing as a business philosophy are more likely to be successful (Musalem and Joshi, 2009; Salazar, 2010). Cross selling comes within the broader context of relationship marketing (Salazar, 2010), and most of the available literature on cross selling is associated to relationship marketing. Therefore, it is imperative to first broadly identify and locate the various context and literature pertaining to cross selling for the comprehensive understanding of this study. Therefore this study will later discuss cross selling within the theoretical framework of relationship marketing in the literature review chapter.

Cross selling relates to the concept of relationship marketing by way of practical business philosophy implementation through customer relationship management (CRM). In simple terms, “customer relationship management is a subset of relationship marketing” (Agariya and Singh, 2011, p. 205). Practical business philosophy is mostly considered as the philosophical methodology or the process by which organizations incorporate philosophies to develop and implement their corporate strategies in business practices (Tomita, 2019). It is a transformation of relationship marketing concept into practical business action whereby the objectives of the relationship marketing is achieved (Salazar, 2010).

Cross selling is one of the most crucial sub elements under relationship strategy that CRM addresses as a practical manifestation of relationship marketing philosophy. Keeping this in mind, this study will also discuss the other elements of customer relationship management (CRM) (Information technology, customer knowledge, communication, and individual value proposition) within the context of cross selling and relationship strategy, and how it practically feeds into the business philosophy of long-term relationship building. This will enable the reader to understand the importance of cross selling as a vital tool for customer relationship building.

Economic benefits arising from cross selling have attracted a lot of academic research to investigate the various contexts employing cross selling strategies and functions. Cross selling is practiced across all industry types irrespective of financial or non-financial institutions and so there are numerous academic researches available on the subject. There are extensive studies that have looked into cross selling in financial industry, specially in regards to customer propensity for future cross selling prospects

(Zeithaml and Bitner, 2000; Kamakura, 1991, 2004, 2003; Prinzie and Poel, 2006; Knott et al., 2002), and establishing behavioural reasons that derive certain purchase patterns based on predictability of customer life cycles (Salazar, 2015; Li et al., 2005).

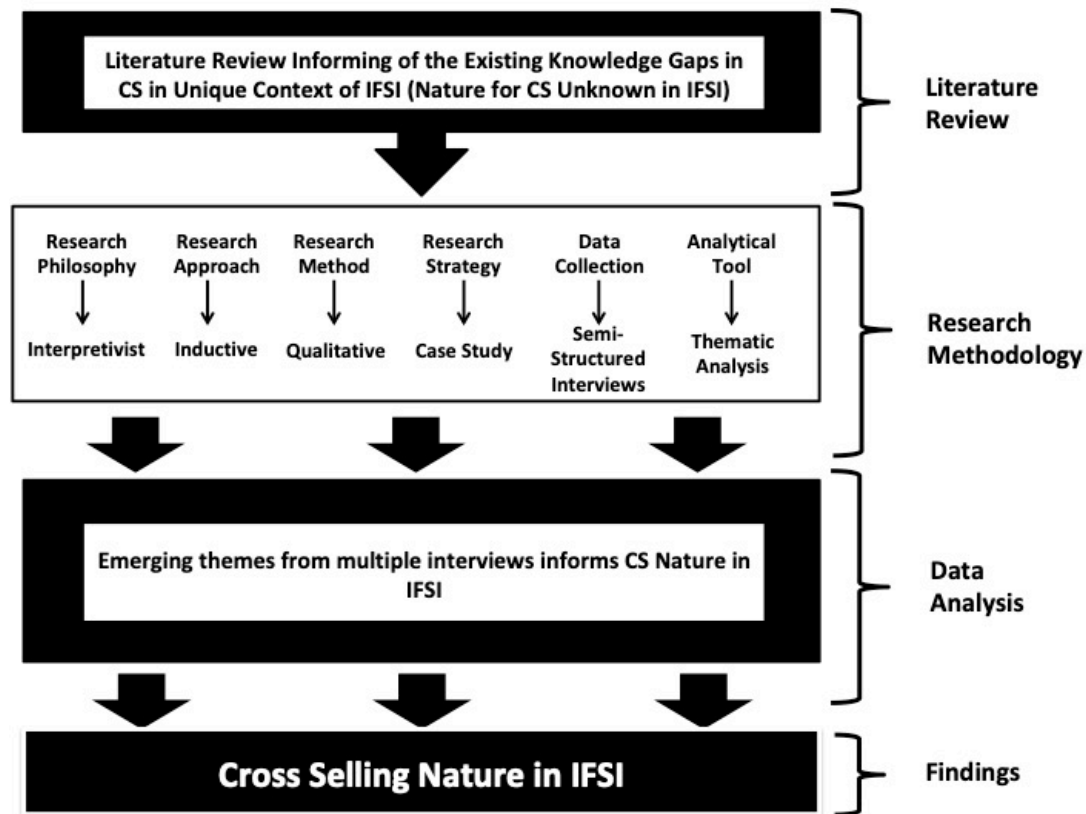
Besides, there are other studies that have looked into cross selling in financial industry in regards to pricing strategies (Guelman et al., 2014; Zhao et al., 2013; Dzienziol et al., 2002; Laux and Walz, 2009; Calomiris and Pornrojngangkool, 2009), cross selling effects on screening loan qualities (Cosci, Meliciani and Sabato, 2009; 2015) CRM role in enhancing cross selling of services based products and growth of non-interest income (Gupta et al., 2014).

Similarly, there have been equal amount of extensive studies on cross selling in non-financial industries. Lee et al. (2013) has assessed the value of bundled cross selling items and their association to each other in regards to utility through mining high-utility itemset. Very much similar to this, other academic studies have looked into the economic order quantity (EOQ) for cross selling imperfect quality items in a frequent item-set for inventory replenishment purposes (Mittal et al., 2014; Zhang, 2012; Zhang et al., 2014).

In short, this study has tried to cover an extensive literature on cross selling which is distributed across different industry types and has discussed cross selling in their relative context and its contributions and benefits in their respective industry types. This has helped this study for the ease of bringing a vast literature together for a better understanding of cross selling in various contexts of study areas and industries. This has also helped in categorizing the different contexts of cross selling for the identification of literature distribution and knowledge gaps thereof.

Keeping in view of the research aim and objectives of this study, an interpretivist research paradigm underpins the research philosophy for this study (Please see Exhibit 1). From an epistemological and ontological perspective this study adopts social constructionism as opposed to the positivists objective approach. This is mainly because the study aims to explore the nature of cross selling in understanding the concept of constructed realities within the Islamic financial services industry, which is otherwise not possible to understand in a more objective positivist study.

Exhibit 1: Thesis Structure
(Source: Exhibit developed by author)



This makes the research approach inductive and qualitative in the methods of conducting this research. Research strategy that this study will employ is case study method with semi-structured interviews as its primary data collection technique. Triangulation of data will be achieved through multiple key respondents (See Section 3.4. Research Strategies). The method for extracting data from the interviews for identifying key themes is done through the application of thematic analysis. This study has employed the recommended steps suggested by Braun and Clarke (2006) for the step by step approach to thematic analysis.

This study has in total interviewed 17 respondents from 9 Islamic banks in UAE. 2 Islamic banks are tier 1 category (total asset value equal or above 30 billion US dollars), 3 Islamic banks are tier 2 category (asset value between 10 billion US dollars and 30 billion US dollars), and 4 Islamic banks are tier 3 category (below 10 billion US dollars), please see Exhibit 10. All the interview respondents for this research were from the executive and senior management (please see Exhibit 11).

This study has used illustrative respondent quotations in the “Finding of Research”

chapter for the emerging themes related to the exploration of cross selling in Islamic financial services industry (IFSI). The chapter discusses the emerging themes and codes in relation to the research objectives of this study to guide the data analysis. The chapter is divided into three sections where each section is a thematic extract to provide coherence to its respective research objective.

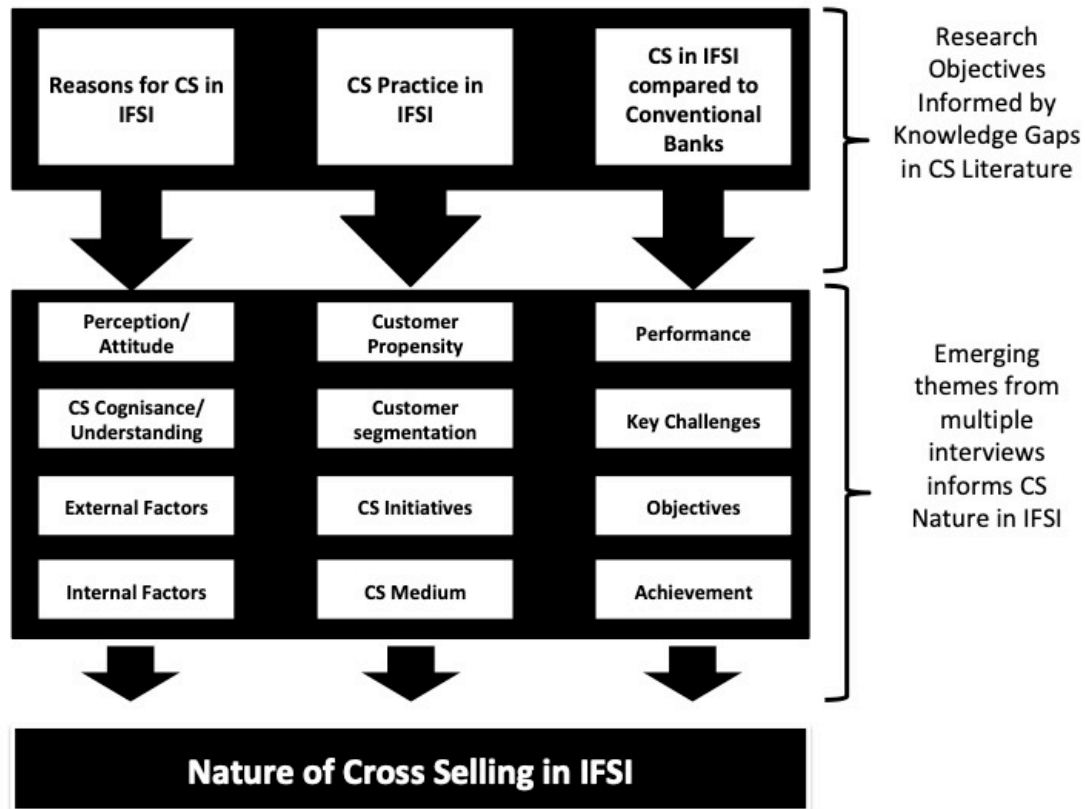
The first section of “Chapter 4. Finding of Research” discusses key findings around the reasons for which IFSI engages in cross selling (See Exhibit 2). The section discusses the perception and the overall importance of cross selling within the IFSI. This includes the attitude of IFSI towards cross selling; IFSI cognizance for cross selling in terms of professional understanding; and the external and internal factors that induced and motivates cross selling efforts in IFSI.

The second section discusses the practice of cross selling in IFSI (See Exhibit 2). This includes methods and tools employed by IFSI to identify customer propensity for cross selling targets; customer segmentation for cross selling purposes; IFSI initiatives for cross selling efforts and the medium through which cross selling is done in the IFSI.

And finally, the third section discusses the differences and similarities on cross selling in IFSI and conventional banks (see Exhibit 2). The discussion includes cross selling capabilities between IFSI and conventional banks, It also discusses the challenges IFSI is facing in cross selling and what actually makes cross selling in IFSI similar or different to conventional banks.

The Fifth chapter “Discussion of Findings” further discusses the findings chapter in keeping view of the existing literature and how its findings are similar or distinct from what is already been discussed in the cross selling literature. The discussion chapter further elaborates the findings of this study by answering to the proposed objectives of this study and finally concludes its remark in the end by suggesting its theoretical contributions and future research implications.

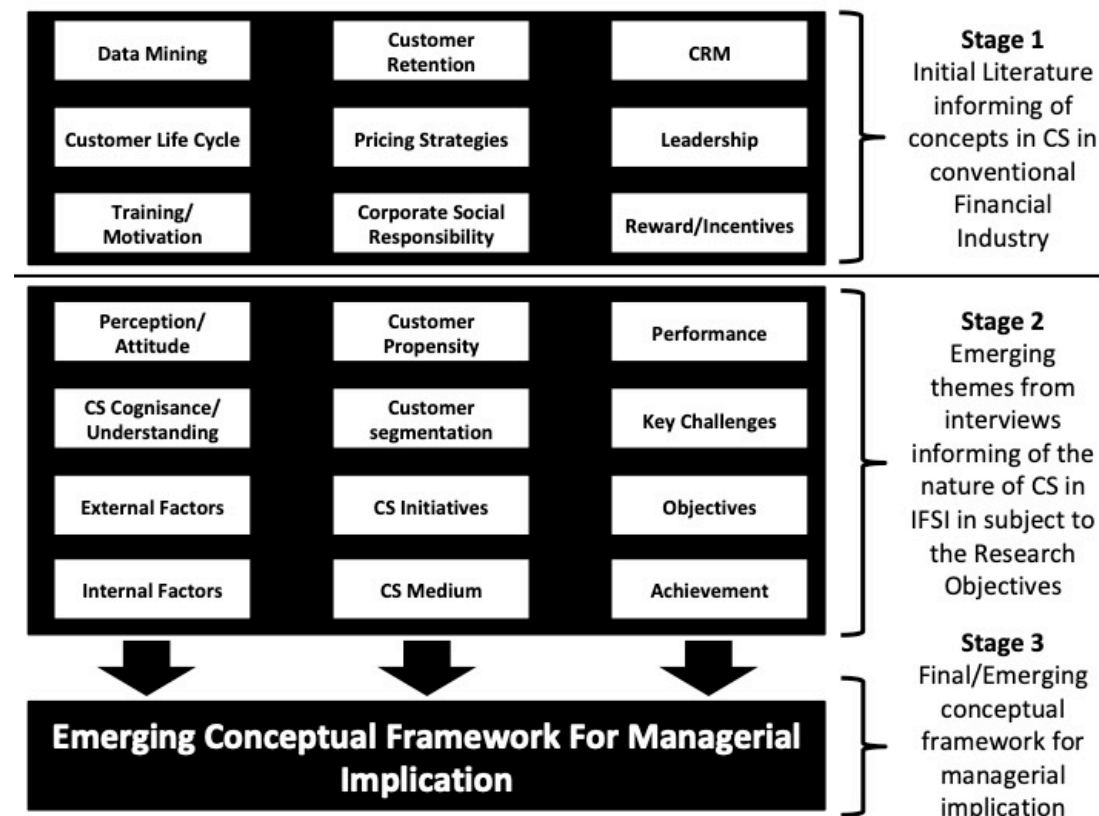
Exhibit 2: Data Informing Cross Selling Nature in IFSI
 (Source: Exhibit developed by author)



This research finally proposes an emerging conceptual framework for managerial implication for the implementation of cross selling in IFSI (See Exhibit 20, p.171). The conceptual framework is data informed and based on the emerging themes suggesting systematic relationship of concepts that are essential in order to achieve cross selling, especially in the unique context of IFSI.

Initial literature review proposes certain concepts for cross selling in the conventional financial industry (see Exhibit 5; however, there is no known empirical study to suggest similar concepts within the IFSI. Building a conceptual framework based on the existing cross selling concepts in the conventional financial industry would initially require a much detail literature on the fundamental existence of cross selling in IFSI, which is unknown. The lack of fundamental understanding on cross selling in IFSI demanded a different approach in building fundamental concepts for future research and implications. In the advance stages of developing a conceptual framework, abstracts from the emerging themes were employed as concepts to suggest elements necessary for achieving successful cross selling in IFSI (Please see Exhibit 3 below).

Exhibit 3: Developing of Conceptual Framework
 (Source: Exhibit developed by author)



CHAPTER 2. LITERATURE REVIEW

2.1. INTRODUCTION

This chapter aims to acquaint the reader with existing literature on cross selling. This chapter tries to highlight the importance of cross selling as a growth strategy for companies that are looking for internal growth. In doing so it gives the overall picture of how cross selling contributes in achieving growth by instigating customer retention and achieving long term customer relationship that is essential for the development and growth of any company. This brings attention to the concept of relationship marketing and the position that cross selling holds within the discipline of management science.

To give a comprehensive outlook this chapter discusses the position that management science allocates to cross selling within the broader literature of relationship marketing. Not going in specific details, this chapter also tries to cover the practical implications of cross selling within the relationship marketing paradigm. It explains how relationship marketing philosophy of building long-term customer relationship is achieved by enhancing cross selling strategies through Customer Relationship Management (CRM).

There is significantly a good volume of literature around cross selling in distinctively different contexts of studies in different industries, major being in financial industry. This chapter discusses the literature on cross selling in different disciplines and industry contexts. This particularly helps in identifying the various groups of studies already done in this discipline and studies that still needs to achieve some academic footing in regards to understanding the overwhelmingly complex literature around cross selling. This chapter endeavours to simplify that by distributing the literature into contextual categories of studies done on cross selling in their distinctive industries. This has helped this research in identifying patterns for knowledge gap within the cross selling literature which gives this research a grounded impetus to pursue this research further.

2.2. CROSS SELLING

Cross selling can be defined broadly as “the sale of a core good or service that induces an opportunity for sale of a follow-on good or service” (Zhao et al., 2013, p. 5452), or item sets, which are purchased together with the core products because of its

internal association with the core product (Anand et al., 1997; Zhang et al., 2014). This is commonly practiced in modern banks where profits are not only made from the sale of loans but also from the sale of other financial services bundled with the sale of other financial services (Zhao et al., 2013). This is done through setting up research focusing on relationships between products and other related items or item sets, and relationships between products and customers, and their demographic data. It then identifies potential customers, their needs and purchasing patterns, and then offers are made to the customers through personalized services recommending products for cross selling (Li et al., 2011; Li et al., 2005; Liu, 2013; Zboja and Hartline, 2012).

This is more evident in the financial sector where customers have long-term relationships with their service providers as compared to other retail or service industries. The detailed information relating to the customers' demographic and transactions are stored in company's database (Liao et al., 2011; Seng and Chen, 2010). This information is then further processed to identify preferred customers for cross selling them products according to their current and potential requirements and purchasing behaviour, and products which they yet do not possess (Thuring et al., 2012). The use of advanced information technology has facilitated "optimized interaction" through which companies can gain a holistic customer view and provide them with information on the historic interactions and transactions and thus facilitate further opportunities to effectively future optimize interactions (Campbell and Frei, 2010). Please see section 2.4.1. "Information Technology (IT) And Cross Selling", p.21, for more details.

Cross selling generally comes within the broad context of Relationship Marketing (Salazar, 2010), however, it also has a very significant role in operational management for effective cost saving and economic order quantity (EOQ) distribution for similar and non similar item sets (Mittal et al., 2014; Zhang, 2012; Zhang et al., 2014; Zhao et al., 2013). Effective cross selling in this specific meaning translates into effective replenishment, effective inventory control, good marketing and promotion strategies (Wong et al., 2012). Additionally, it helps in effective pricing strategies as firms could reduce the price of the core product thus transforming the price across other products to recoup the cost of the "loss-leader" core product to achieve an effective sale (Zhao et al., 2013).

2.3. GROWTH AND CROSS SELLING

In present times cross selling is considered as one of the most effective growth strategies for commercial organizations. It promotes customer retention, is more cost effective than acquiring new customers, and in specific context to banks, has plenty of cross selling opportunities to exploit advantages for growth (Pelot, 2010). Growth strategies enable a company to drive its growth in sales and revenue to achieve overall profits and market share (Kotler and Keller, 2016). Firms focus on objectives that help achieve growth direction and growth mechanism to pursue internal and external growth goals for an organisation (Campbell et al., 2011). Growth strategies also contribute in stabilizing production and growth during recession or tough competition (Singh and Gupta, 2015). However, most organisations fail to achieve their growth objectives, making success rate as low as 20% because of inadequate implementation of their growth strategies (Yung, 2015).

Jobber and Ellis-Chadwick (2012), Kotler and Keller (2016) stress around five stratagem of growth that consist of both internal and external growth strategies. First, entry into new markets: this includes building powerful brand, new products, services and experience. Second, market development: this includes entering new segments, and promoting new users. Third, product development: this includes innovating new products and services; product replacement; and product line extension. Fourth, market expansion: this includes increasing usage rate; convert non-users into users through customer acquisition and retention; international expansion. And fifth, market penetration: this includes discouraging competitive entry; win competitors' customers; creating reputation for social responsibility; partnering with government bodies and NGOs.

Cross selling in this specific regard focuses on customer based relationship strategies for growth that addresses market development and market expansion through mainly customer acquisition and retention. However, there are insignificant number of studies that empirically investigates the manner in which cross selling provides growth, specially in terms of vertical and horizontal growth. In specific context to growth in banking sector cross selling increases diversity to the small group of profitable customers to increase its wallet share (Pelot, 2010). Especially this growth is more eminent by means of retaining these profitable customers through cross selling.

Studies in recent years have shown that customer retention is more profitable than customer acquisition, and cross selling is much better for customer retention when compared to other loyalty and retention programs (Kamakura, 2008; Kamakura et al., 1991; Kamakura et al., 2003; Salazar, 2010; Schmitz et al., 2014; Zhao et al., 2013). Cross selling is one of the most prominent approaches towards retaining customers where the objective is to lock in the customer by cross selling a number of products possible. Just a minimum of 5% rate increase in customer retention meant 25% to 80% of profit growth opportunities (Ahmad and Buttle, 2001; Feinberg and Kadam, 2002). Whereas, according to the Mercer Market Survey Report (2000) which, observed over 14 industries claim the same increase of profits up to 95% (Chen and Ching, 2007).

In specific context to financial industry, the more product a customer holds from a single financial provider the more higher balance he/she maintains with that financial provider, and is less likely to switch or leave (Kane, 2005). It is difficult for customers to leave because of an increase in switching cost (Kamakura et al., 1991; Kamakura et al., 2003; Salazar, 2010; Thuring et al., 2012). Early references such as Huber et al. (1998) revealed that more products a customer has from a single provider, more retention prone he/she will be, and similarly more money they will invest (Baesens et al., 2002; cited by: Larivière and Van den Poel, 2005).

Customers switching banks proves costly not only to customers alone but also to the banks. An empirical study by Kim et al. (2003) looked at the customers switching providers for bank loans in the Norwegian banking industry from the period 1988 to 1996. It was found that the customers switching of service providers cost about “one-third of the average interest rate on loans”(Zhao et al., 2013, p. 5454). Also, according to McKinsey and Company Report (2002), a firm can generate up to ten times more revenue from a customer through cross selling and create more growth opportunities, long term customer relationship, and profitability when compared to attracting a new customer (Coyles and Gokey, 2002, 2005; Schmitz et al., 2014). These factors have led the organizations to redefine their position in regards to growth strategies and focus on the rationale of retaining existing customers through cross selling.

In specific context of growth and revenue in financial industry, customer acquisition is not as important as customer retention because acquisition cost five times more

than retaining an old customer, and the expense of losing an existing valuable customer cannot be offset by the profit achieved by acquiring ten new customers (Verhoef and Donkers, 2001; cited by Liu, 2013). Payne and Frow (1999) demonstrated that the increase of 'very satisfied' customer by just 6% increase, corresponding to 4.8% increase in customer retention, resulted in an £18 million profit increase.

Similarly, customer acquisition as compared to customer retention can be risky and less profitable. A study by Storbacka (1997) looked at the profitability by segmentation in retail banks and found that almost 90% of the customer base profitability resulted from only 20% of their long-term customer base, and the remaining 80% contributed insignificantly to the profit or were unprofitable. From the customer base profitability point of view this meant that new customers tend to defect and result in low customer retention rate than long term customers (Ahmad and Buttle, 2001).

In long-term relationships both customer and service provider learn how to best interact with each other resulting in the decrease of relationship costs. It provides mutual satisfaction whereby customers need not to change the service provider and save extra transaction costs, and the service provider saves unnecessary relationship related costs (Grönroos, 1994). To illustrate an example, Co-operative Bank found that its investment products associated to sales were not profitable because of long duration time the staff would spend on new customers. New customer inquisition inevitably increased staff time resulting in extra incurred cost (Kaplan, 1995; cited by Ahmad and Buttle, 2001). Replacing existing long term customers by new customers has shown to be more costly and risky whereas long term existing customers tend to buy more, are less costly to serve, and are less risky (Larivière and Van den Poel, 2005).

Although financial institutions do cross selling for the purpose of retaining customers, an empirical study by Knott et al. (2002) revealed that customer retention is equally important for effective cross selling. It also has low associated cost than cross selling to new customers (Kamakura et al., 2003). Customer retention facilitates for effective cross selling of right products to right customers as the firms gets more time to know and understand their customers and their needs (Ansell et al., 2007).

Besides, the odds of cross selling to new customers are 15% as when compared to existing customer which are 50% (Adamson, 2006). This is further substantiated by a much later study which increases the odds of cross selling to existing customers by up to 70%, whereas chances of cross selling to a new customer as low as 5% that rarely exceeds 20% (Prasongsukarn, 2009). Hence, cross selling promotes growth for revenue generation through retaining profitable customers.

This further emphasizes the importance and relevance of customer retention for organizations functioning on the principle and applications of relationship marketing paradigm. Besides the benefits associated with retaining customer as mentioned above, customer retention has also prove to be less sensitive to competitor's marketing activity, less sensitive to competitor's price, customers are more likely to recommend others, and reduce the pressure to acquire new customers (Ansell et al., 2007).

2.4. LOCATING CROSS SELLING WITHIN BROADER LITERATURE

In last two decades a complete paradigm shift has taken place in the developed markets from being product centric to becoming customer centric. This is mainly because of the increase in competition that has made the market to realize the value of customers (Graf and Maas, 2014; Salazar, 2010). Customer centric or the relationship marketing focuses on developing long-term customer relationship through customer satisfaction and customer retention, whereas transactional marketing or the product centric marketing focuses on sales and finding new customers (Vence, 2002; as cited in: Zineldin and Philipson, 2007).

Relationship Marketing as a term was first used by Berry (1983) to define the new services marketing which employs all the activities of a firm towards creating, developing and maintaining customer relations (Ballantyne et al., 2003). Berry (1983; 2002, p. 61) defined it as “attracting, maintaining and-in multi-service organizations-enhancing customer relationships”. However, Relationship Marketing as a concept has various definitions in context to different industry type. There is no general consensus on what actually defines relationship marketing and its precise meaning is not clear in the literature (Agariya and Singh, 2011; Nevin, 1995; Parvatiyar, 2001). The issue has become further complex with emerging new concepts within relationship marketing such as the “Total Relationship Marketing”, where the idea is

to merge and synthesis relationship marketing with other marketing concepts, i.e. relationship marketing with CRM (Gummesson, 2017). In general relationship marketing could be defined in terms of acquisition and retention of customers and the resulting profitability (Agariya and Singh, 2011; Menconi, 2000; Nykamp, 2001).

Transactional marketing is often criticized by the academics as not recurring in keeping pace with technological advances and research but rather limited to product oriented approach with short-term profit goals and letting go long term profit opportunities (Grönroos, 1994; Payne et al., 1998; Peppers and Rogers, 1995; Sheth and Parvatiyar, 1995; Shi et al., 2009; Van Waterschoot and Van den Bulte, 1992). The post-2000 era is service dominant focusing on relationship marketing concepts. Relationship marketing focuses on developing long-term customer relationship through customer satisfaction and customer retention, whereas transactional marketing focuses on sales and finding new customers (Vence, 2002; as cited in: Zineldin and Philipson, 2007)

Customer needs are constantly changing and so the competition to provide for the changing needs resulting in diversified customer base (Barnes et al., 2004). Attracting new customers are difficult and costly due to: (1) the increase in business competition, (2) increase in product competition making the differentiation between the products and services more difficult (3), competition in technological innovation to keep business ahead of the rest of the competitors, (4) Customer satisfaction becoming more complex with increasing standards for satisfaction (5) Customers easily switching institutions (Ansell et al., 2007; Payne et al., 1998; Salazar, 2010).

Globalization of businesses and industries, with advancing technology has enabled numerous choices for customers (Peppers and Rogers, 1995; Salazar, 2010). Customers prefer service providers that give goods and services at a competitive lower price (Bhardwaj, 2007). Customers' switching from one supplier to another supplier is common because of the increase in competition (Payne et al., 1998). Markets that are highly competitive and saturated, like financial institutions, where product differentiation is very low, requires customer retention through quality services enhancements (individual customer focus) for their business success (Allred and Addams, 2000; cited in Lopez et al., 2007).

High customer retention rate, increase in cross selling ratios, high revenue leading to

increase in market share, are all related to satisfying the customer with high quality services, which leads to customer loyalty resulting in higher profits (Kumar et al., 2009). A study by Zeithaml et al. (1996) confirmed that “outstanding levels of service quality” resulted in promising “customer intentions”, which would further translate into retention of the customer, resulting in decrease of costs, increase in profit and customer referrals (Lopez et al., 2007).

In context of banking industry, Maas and Graf (2008) explains that the ease to information access and financial literacy has also made customers more selective and sophisticated in their banking preferences. This has further increased the competition for financial institutions to retain and acquire costumers. Financial institutions now have to carefully identify and respond to specific customer needs to design value proposition for their customers in order to retain customers and stay competitive (Salazar, 2010).

Therefore, the importance of building individual relationship with customers is thus realized, and thus, a paradigm shift from the arguably limited transactional marketing approach to relationship marketing approach (Agariya and Singh, 2011). The new relationship marketing enhances productivity through achieving effectiveness and efficiency by means of customer retention and efficient consumer response (ECR) (Sheth and Parvatiyar, 1995). Meta-analysis done by Palmatier, Dant, Grewal and Evans (2006) reveals positive firm performance under the relationship marketing (Peelen et al., 2009). Thus, cross selling relates to the concept of relationship marketing by way of practically implementing its marketing philosophy through Customer Relationship Management (CRM) for effective customer retention.

2.4.1. Information Technology (IT) And Cross Selling

According to Chen and Ching (2007), advances in information technology (IT) have enabled multi-channel touch points for generating information, interaction and communications. These multi-channel touch points expand to include e-mail, interactive kiosks, television (iTV), mobile commerce (m-commerce) and the Internet. These IT enabled multi-channels functions as a framework for CRM to acquire far better understanding of the customer needs and wants for better services and better cross selling opportunities. A survey conducted by Chen and Ching (2007) on financial services consumers in Taiwan suggest that these multi-channel touch

points enabled by CRM practices in cross-selling have positive effects on customer loyalty.

Businesses are exploiting these multi channels for sales and services. Howard and Worboys (2003) suggest that customers have various preferences of channels for services depending on context and occasion, and therefore, these IT enabled multi-channels are crucial for business survival. According to Müller-Lankenau et al. (2006; cited in J. Chen & Ching, 2007), multiple channel customers are up to three times more profitable than single channel customers, and are more loyal. These Multi-channels ensures a regular contact with parties and induce time efficiency through effective marketing and delivery of products and services (Forsyth, 2004).

Information technology has facilitated a virtual development of customer relationship bonding where customers attract and remain to stay with a firm for its information technology related services. A study by Sum Chau and Ngai (2010) suggests that internet banking services (IBS) attracts mostly young people who have positive attitude and intention towards using IBS and so catching them at an early age would imply customer retention and loyalty at a future stage. The results suggested a positive correlation between technical/functional quality satisfactions and young customer's loyalty. This suggests that an increase in technical/functional quality satisfaction increases the young customer loyalty, hence, customer retention.

Likewise, internet banking has proved to be more attractive to the banking customers, and equally efficient for the banks to manage the increasing customer base than any other distribution mediums (Alsajjan and Dennis, 2006). It is positively associated to customer retention, attraction, loyalty, lower cost, increased revenue, competitive advantage, efficient performance, and profitability (Seth et al., 2005; Simpson, 2002). A study based on the evaluation of e-banking usage in Iranian banks revealed that web site designs were correlated with satisfaction (Hanzaee and Sadeghi, 2010). Yearly growth rate of Internet banking customers in Malaysia went up to 40.6%, revealing as the most popular and the most used service in the Malaysian retail banks (Yee and Faziharudean, 2010). Customers stay and continue to purchase from the same suppliers of products and services who provides hyperlinks on their website portals to various suppliers of goods and services for the ease of information links (Financial Times, 2000; cited in Ahmad and Buttle, 2001). It can be therefore easily

argued that information and technology has much revealing prospects in customer retention and customer satisfaction.

2.4.2. Customer Relationship Management (CRM) and Cross Selling

Information technology (IT) has enhanced personalization and customization of products and services to become much easier, and cost effective, efficient to tailor for individual customer needs. This is especially much relevant in financial services, as it requires more personal selling efforts (Kamakura et al., 1991; Kamakura et al., 2003). The advancement of information technology in collecting of customer data and processing it into giving valuable customer related information has given customer retention a new edge. Practical applications stemming from relationship marketing paradigm coupled with IT related processing of customer information has given rise to the academic popularity of customer relationship management (CRM) in facilitating efficient customer retention.

Cross selling as one of the CRM tools for retaining customers rely dominantly on IT services to data mine customer information. To increase the accuracy in identifying relevant prospects for cross selling efforts, it requires a robust information infrastructure system that collects, stores, analyze, and share customer information throughout the organization (Chen and Ching, 2007). This information infrastructure enables the registry, storage and manipulation of relevant customer data for suggesting appropriate retention strategies (Crosby and Johnson, 2001; Crosby and Johnson, 2001a; Vtanasombut, 2008; Jullian, 2009; Salazar, 2010).

Data warehousing can collect various customer data and data of other various stakeholders and can systematically process (automated statistical computing) to suggest advance combinations and data mining. It looks and identifies different patterns in customer behaviors related to their purchase of product, time and sequence (Gummesson, 2006; Minami and Dawson, 2008; Saundra et al., 2010; Salazar, 2010).

In a highly competitive market it is crucial to understand customer's needs and expectations to gain customer loyalty and retention. A survey conducted on financial services consumers in Taiwan suggests that CRM practices in cross selling have positive effect on customer loyalty and customer retention (Chen and Ching, 2007). This to some extent of degree demonstrates that CRM practice is crucial for effective

cross selling. This ultimately contributes in achieving one of the most essential objectives of cross selling, which is customer retention and loyalty.

A study by Gupta et al. (2014) has looked into the effect of CRM systems in enhancing effectiveness in the banking industry in India. The study looked into how CRM effects cross selling of banking products. The study also looked into the augmentation of non-interest income in the banking industry by means of cross selling financial products. The study finds that CRM tools have played a significant role in effecting cross selling of home loans and auto loans. 34% of the CRM tools helped in cross selling credit cards, 38% of the CRM tools helped in cross selling Mutual Fund, and 50% of the CRM tools helped in cross selling locker facility.

The study demonstrated and suggested that well implemented CRM tools provide a structured and scientific approach to cross selling in improving the overall efficiency of banks. Banks can increase their revenues by making CRM more effective and training staff on various products. This demonstrates to a certain degree that effective CRM practices leads to effective cross selling.

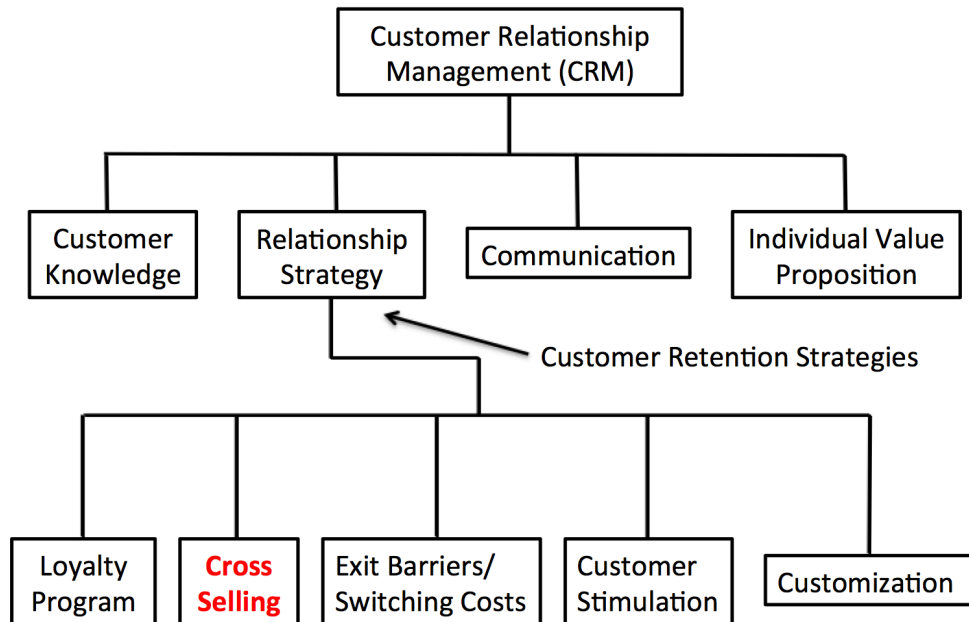
Successful implementation of CRM addresses four major areas for a successful customer relationship building and business performance: (1) Strategy, (2) People, (3) Technology, and (4) Process (Fox and Stead 2001; Chen and Popovich 2003; cited in Gholami and Rahman, 2012). However, a detail CRM map constitutes elements and their sub elements manifesting CRM having four cornerstones, as Peelen (2005) famously refers to them. According to him the four CRM cornerstones are: (1) Customer Knowledge, (2) Relationship Strategy, (3) Communication, (4) Individual Value Proposition. He does not consider technology and process as a CRM cornerstone but rather an integrated system that function equally across the four CRM cornerstones.

It is within the subsets of these elements, or cornerstones, that we locate customer retention strategies that identifies cross selling as one of the sub elements of relationship strategy. Here cross selling is specifically in context to relationship marketing, and as one of the CRM tools for customer retention. A holistic overview of various literature sources explains cross selling within the specific context of CRM map below.

Exhibit 4: Locating Cross Selling in CRM: Map of CRM Element

[Source: Exhibit developed by author; Information extracted from (Epstein et al., 2008; Kamakura, Wagner A. et al., 2003; Minami & Dawson, 2008; Peelen, 2005; Salazar, 2010; Tsao et al., 2009; Zhao et al., 2013)]

Locating Cross Selling in CRM: Map of CRM Elements



2.4.2.1. Customer Knowledge

Customer knowledge is essential requirement for CRM activities that can leverage the competitiveness of a firm (Öztayşi et al., 2011; Sin et al., 2005; Stefanou et al., 2003). In order to facilitate optimal customer service, customization of the services for the desired customer needs, and to build a long term customer relationship, acquiring and retrieving of customer knowledge is essential. Customer knowledge is created from commercial activities of organizations including sales, marketing, customer services (Wang, 2013). The dynamical shift in the economy paradigm from tangible utility to affective utilization of intangible assets such as knowledge to increase competitive advantage is the new emergence of knowledge economy (Brinkley, 2006). Organizations that adapt to this change and successfully build their knowledge capabilities are on a competitive advantage and are knowledge-enabled organizations (Rowley, 1999).

Effective creation of customer knowledge mostly depends on the organizational structure, process, and skills (Doll and Torkzadeh, 1998; Gable et al., 2008), However

it requires information system that help support knowledge creation process more effectively and fast (Khalifa et al., 2008; Khodakarami and Chan, 2014; Petter et al., 2008). Organizations create this capability more effectively by integrating customer knowledge with CRM initiatives (Boulding et al., 2005; Croteau and Li, 2003; Parvatiyar and Sheth, 2001). An empirical research by Nejatian et al. (2011) reveals that successful utilization of CRM is directly related with increase in customer knowledge, which further contributes in feeding to customer relationship value, customer satisfaction, and consequently obtaining competitive advantage.

2.4.2.2. Relationship Strategy

The customer knowledge, individual or collective customer(s) information, must be used to develop long lasting customer supplier relationship strategies. The main focus of developing these strategies is to retain customers and inculcate the customer supplier trust and commitment factor for long term benefits. The vast literature on relationship marketing suggests strategies by which organizations attempts to retain their customers. Organization employ different relationship strategies to retain their customers but the following five relationship strategies can be argued as the most favorite across all businesses irrespective of their industry types.

Loyalty Programs

Loyalty programs are schemes, which offer incremental rewards by organizations to their customers for their cumulative patronage and for their spending with the same organization. The more a customer spends, the higher the reward (Buttle, 2009). Loyalty programs are aimed at achieving customer retention for a business by recognizing their customers for their patronage by means of points and grades (e.g. frequent-flyer miles, etc.) (Chen and Ching, 2007). The level of satisfaction and value perceived by the customer from loyalty programs helps in achieving higher customer retention in profitable segments (Epstein et al., 2008; Reichheld and Sasser, 1990). It also decreased the price sensitivity as the expense of acquiring and serving new customers declines (Reichheld et al., 2000), and customers loyal to a business tends to not switch for lower prices (Goodwin and Gremler, 1996). It increases entry barriers for new businesses (Sharp and Sharp, 1997).

Apart from retaining customers alone, loyalty programs also contribute in collecting information from the customers and feed into the customer data for segmentation and

data mining; and for reinforcing brand image (Lacey and Morgan, 2008). However, loyalty programs have become less distinctive and value adding, as the numbers of loyalty schemes have increased with the increase in competition, operating in the “me too” narrative offering almost the same rewards as other competitors (Buttle, 2009). A study suggests that loyalty programs may not be creating loyalty at all. The study looked into convenience store franchises and found that customers who were considered heavy buyers did not changed their buying behaviors after offering of loyalty programs (Liu, 2007).

Loyalty programs come with lot of variety types depending on the objectives of each program. For instance, saving programs type like air-mile point program in the airline industry. The objective here is to encourage the customers to make transactions to get mileage points that could be redeemed at a later period for maximum discounts or a free air ticket. Other good examples of loyalty types are club program type and relationship marketing type. In club type programs the objectives are long-term commitments by customers through membership schemes that are rewarded with all sorts of discounts, credits, insurances and guarantees.

Relationship marketing type loyalty programs are geared towards improving the supplier and customer relationships. This is achieved through acquiring individual customer knowledge, purchase history/pattern, which is exploited to offer complementary products and services for purchases that closely meet the individual need requirements (Peelen, 2005). The only distinction that would mark the difference between this type of loyalty program and cross selling would be, that in the former, products and services are rewarded as complimentary, whereas in the later, it is sold at a premium price or at a discount rate.

Cross Selling

Cross selling is one of the main CRM tools for forging stronger relationships with customers (Kamakura et al., 1991; Kamakura et al., 2003). Cross selling, like loyalty program, as discussed above, is also geared towards improving customer supplier relationship and is one of the most popular strategies by which organizations help achieve customer retention (Peelen, 2005). The distinction that accounts for the difference in the two retention strategies is that loyalty programs are incentive based,

whereas, cross selling seeks to offer new products to its existing customers based on their buying and purchase history (Bolton et al., 2004).

In the strict context of the relationship strategy, cross-selling is aimed towards increasing the overall value of different purchases of complementary products and other service offerings that a customer purchases. The objective is to keep the customer satisfied and returning (Chen and Ching, 2007). A substantial amount of literature supports positive correlation between customers holding more than one product from the same provider and customer profitability (Ansell et al., 2007; Liu, 2013; Thuring et al., 2012).

One of the very obvious reasons behind this relationship strategy in helping retain customers is that customers prefer having single point of contact specially in financial services (Adamson, 2006; Chen and Ching, 2007). More the customer acquire additional services and products from a single provider, the number of points where customer and provider connect increases, eventually increasing the switching cost for customer (Baesens et al., 2002; Kamakura et al., 1991; Kamakura et al., 2003; Larivière and Van den Poel, 2005). For example, it is easy for a bank customer with a single saving account to switch to another bank and withdraw his account, whereas, if the same customer has an additional insurance policy with the same bank, it would be uneconomical and costly for the customer to switch, hence the customer remains with the bank.

However, Salazar (2010) argues that cross selling is not to be considered a pure retention strategy in itself as it requires combination of other strategies to function its purpose of retention. Cross selling and customization for instance, where cross selling requires customization for its specific customer requirements to achieve customer retention. Similarly, certain loyalty programs, also attempt to increase the resale figures by suggesting cross selling opportunities to their customer (Moon et al., 2008). Overall, Salazar (2010) refers to cross selling as one of the relationship strategy but also as complex process from a CRM point of view where different strategies and methods are employed to attract and build long term relationship with customers.

Increase Exit Barriers/ Switching Costs

Increasing exit barriers would mean the increase in the cost of leaving an organization from a customer point of view. Kim et al. (2003) developed and studied an empirical

model on transition probability of switching customers in the market for bank loans in the Norwegian banking industry for a period between 1988 to 1996. The study revealed that alone switching costs amounted to one-third of the average interest rate on loans (Zhao et al., 2013). This makes it even more important for the banks to lock in their customer through available retention strategies, one of which is by increasing the exit barriers and the switching costs.

These costs are created by organizations to make it difficult for the customers to leave their organizations, and sometimes these costs maybe created by the customers themselves because of the long term relationship. These costs could be learning costs, social costs, financial costs, legal barriers, search cost, and emotional cost (Bhattacharya and Bolton, 2000; Vázquez-Casielles et al., 2009). These are also know as switching costs which are very effective retention strategies for organizations to ensure that the customer does not leave and so the profits coming from customers are secured (Egan, 2008; Michalski and Helmig, 2008).

Switching costs are created either through contract like leases and guarantees (Augusto de Matos et al., 2009; Jones et al., 2007), or either through economic factors that would result in economic disadvantage for the customer in the event of early defection (Chen and Wang, 2009; Xue et al., 2006), like for instance club points loss of air mileage scheme in airline industry. Also there are technical switching costs created by the manufacturer that would cost the customer to loose certain technical capabilities for switching to another product like mobile phones and computer systems and software (Liu, 2006; Wang, 2009). And finally, recognition and satisfaction provided by the supplier in itself can cause customer self-barrier from exiting. The added value to customer satisfaction by service providers results in customer from defecting and help in achieving long term relationship and retention (Chen and Wang, 2009; Egan, 2008).

Customer Stimulation

Customer stimulation strategies consist of heavy discounts to customers who are considered very profitable and risky to loose. Customer stimulation is applied on the short term basis with the aim to reinforce customer relationship and to avoid customer defection (Tsao et al., 2009). However, exorbitant economic benefits realized through such stimulation strategies can arguably have the opposite effect. This leads

customers to becoming more opportunistic and greedy in expecting such benefits all through out their relationship with the supplier. This strategy encourages customer greed for aggressive benefits in order to stay in a relationship rather than encouraging the other value propositions of the services and products that supplier has to offer (Salazar, 2010).

Customization

Customization reflects the quality of interaction and understanding between customer and business and vice versa. Customization of products links to customers by understanding customer needs and expectations (Chen and Ching, 2007). Customization help in the adaption of the services and products to the individual value proposition of the customer needs and demands, which extensively help in retaining customers on a long term basis (Blattberg et al., 2009; Minami and Dawson, 2008).

Customization can be exclusive in the creation of a complete new product for the customer (e.g. wedding dress); or can be adaptive where a standard product is altered to customer preference (e.g. upgrading the interior of a standard car); or can be cosmetic in customizing the external features of a final standard product (e.g. engraving names on a tool accessories) (Minami and Dawson, 2008; Salazar, 2010).

According to Chen and Ching (2007), business that provides products and services that are specifically designed to meet the specific individual customer needs are difficult to substitute and duplicate. This gives business a more distinctive competitive edge over other businesses (Peppard, 2000) Customization in contrast to conventional product adds more value to the product by way of learning relationship between the business and its customers. It encourages new ideas on the basis of needs and requirements drawn from customers and their feedbacks.

This integrates with the organizational knowledge further translating the information churn into the production process (Pitta, 1998). Achieving dialogue between customer and business and accurately knowing what customer wants is the knowledge business can gain from in customizing products and services that can achieve greater satisfaction for their customers and garner loyalty and customer retention (Pillar and Schaller, 2002).

2.4.2.3. Communication

Here communication can be understood as the process and system integration and synchronization of all CRM elements in a manner by which an effective dialogue communication capability can be enabled between the supplier and the customer and vice versa. Information technology integrated with knowledge management provides information capabilities at every customer touch points whereby customer and supplier communicate to precisely understand the requirements and needs of the customer, which is processed throughout the CRM system for effective delivery of services and products, customization, communications, and cross selling (Peelen, 2005).

Information technology enabled communication allows automation of back office tasks reducing process and production time of organizations making them more efficient and effective (Vatanasombut et al., 2008). This new form of technology driven communication also allows collection and storage of individual customer information, which allows for more personalized marketing prospects and effective customer services (Maas and Graf, 2008). However, Hartmann (2010) argues that IT enabled form of communication cannot necessarily replace the real personal human aspect of relationship for the customers. It may increase the efficiency for the organization, but cannot create the real value as in real communication. Financial industry for instance, is heavily dependent on IT based communications and process, however, not always effective for relationship marketing purposes (Salazar, 2010).

2.4.2.4. Individual Value Proposition

The essence of CRM contributing in building customer relationship is to offer individual proposition to the customer where products, services, and price are all adapted to suit the individual customer circumstances (Peelen, 2005). To attain customer loyalty and retention by means of individual value proposition, successful CRM effectively builds customer insights, select proper market segments, analyze customer demands, design effective individual propositions, customize and finally deliver products and services that suits customer preference and demand (Rigby & Ledingham, 2004; Stringfellow et al., 2004; Rigby, Reichheld, & Scheffer, 2002; Chen & Popovich, 2003; Oldroyd, 2005; as cited in Shang and Lin, 2010).

2.5. CROSS SELLING LITERATURE WITHIN FINANCIAL AND NON-FINANCIAL INDUSTRY

Economic and marketing benefits arising from cross selling have attracted a lot of academic research to investigate the various contexts employing cross selling strategies and functions. Below is the Exhibit 5 for the contextual distribution of early and contemporary literature available on cross selling for both financial and non-financial industry. This table provides for the ease in comprehending and bringing the vast literature together that deals with cross selling in various context of study areas and industries.

The industry distribution has been kept minimal to only two classifications, financial and non-financial. Detail description of the table below follows the review of the literature for the identification of emerging research gaps and for the identification of potential theoretical and contextual research contributions.

2.5.1. Sequential Purchase Analysis for Cross Selling

Some earlier studies done on cross selling focuses on the consumer's sequential purchases (e.g., Bitner and Zeithaml 2000; Boulding et al. 1993; Hauser and Urban 1986; Mayo and Quails 1987; cited in: Li et al., 2005). However, these were descriptive studies, except for Kamakura et al. (1991), they are believed to be the first to model cross selling opportunities formally by identifying the order in which households acquire financial services. The model illustrated a procedure by which financial institutions can estimate the likelihood that customers will purchase/use additional services.

Kamakura et al. (1991) modelled cross selling opportunities using latent trait analysis to target customers by identifying the order/sequence in which customers purchase financial products and services. According to Hambleton and Cook (1977) Latent trait models are mathematical models that assign scores or traits to variables that cannot be directly measured and are unobservable. "A latent trait model specifies a relationship between observable examinee test performance and the unobservable traits or abilities assumed to underlie performance on the test. The relationship between the "observable" and the "unobservable" quantities is described by a mathematical function." (Hambleton and Cook, 1977, p. 75)

Exhibit 5: Contextual Distribution of Literature in Cross Selling Within The Financial and Non-Financial Industry

(Source: Exhibit developed by author based on the literature reviewed)

Contextual Distribution of Literature in Cross Selling Within The Financial and Non-Financial Industry		
Context	Industry	Reference
Sequential Purchase	Financial	Zeithaml & Bitner (2000) as cited in Li, Sun, and Wilcox (2005)
	Financial	Kamakura et al. (1991)
	Financial	Kamakura et al. (2004)
	Financial	Prinzie and Van den Poel (2006)
Predictive Analysis	Financial	Kamakura et al. (2003)
	Financial	Knott et al. (2002)
Assosiation Rule Mining for Utility Based Itemsets	Non-Financial	Lee et al. (2013)
Economic Order Quantity	Non-Financial	Mittal et al. (2014)
	Non-Financial	Zhang (2012)
	Non-Financial	Zhang (2014)
Customer Life Cycle Classification	Financial	Salazar (2015)
	Financial	Li et al. (2005)
Customer Retention	Financial	Salazar (2010)
Database and CRM Approach		
Decision Support System for Online Cross Selling	Non-Financial	Changchien, Lee and Hsu (2004)
Pricing Strategies/Effects	Financial	Guelman, Guillén and Pérez-Marín (2014)
	Non-Financial	Li, Gu and Liu (2013)
	Financial	Zhao et al. (2013)
	Financial	Dzienziol, Eberhardt, Renz and Schackmann (2002)
	Financial	Laux and Walz (2009)
	Financial	Calomiris and Pornrojngangkool (2009)
Interest Margin	Financial	Ciarrapicoa and Coscib (2011)
Screening Loan Qualities	Financial	Cosci, Meliciani and Sabato (2009)
		Cosci, Meliciani and Sabato (2015)
Brand name/ Reputation	Non-Financial	Cocheo (2000) as cited in: Vyas and Math (2006)
Motivated Employees		
Elements for Successful Cross Selling	Financial	Jarrar and Neely (2002)
Incentives for Cross Selling	-	Belsey (2004) as cited in: Vyas and Math (2006)
	-	Sonnenberg (1998) as cited in: Vyas and Math (2006)
Leadership role in influencing cross selling efforts	Non-Financial	Schmitz, Lee et al. (2014)

Database and CRM Approach	Financial	Lau, Chow and Liu (2004)
	Financial	Gupta et al. (2014)
Customer Behavioural Response	Financial	Sourelis, Lewis, and Karantinou, 2008
	Non-Financial	Liu-Thompkins and Tam (2013)
	Financial	Verhoef and Donkers, 2005
Corporate Social Responsibility	Financial	Vyas and Raitani, 2015

The identification of order/sequence in which customers purchase financial products and services provides for the necessary market segmentation that is essential for cross selling the right product to the right customer. Based on the internal records of financial institutions the study pioneered in proposing methodology that would position financial services and customers according to their ownership pattern. Position of the customer would identify his/her financial resources and the position of financial services measure the level of resources required for the ownership of that service. Non-ownership of services would predict the probability of ownership based on the position of customer ownership pattern.

The consumer's sequential purchase model was postulated on the premise of utility maximization where customers plan their finances based on their ability to meet their financial needs. Kamakura et al. (1991) elaborates this by categorizing the acquisition of products and financial services by customers into two main categories given their resources. The first category is based on savings and investments for future consumption based on current earnings, for e.g. pension plans, term deposits, etc. The second category is based on the financial services that would finance current consumption based on future earnings, like for e.g. credit cards etc. This acquisition model of financial services is assumed on the pretext that the sequence in which customers acquire financial services is influenced by the different stages of the household cycle where financial needs, priorities, and availability of resources keep changing.

The model assumed hierarchy of financial products and services that are structured in a manner which would imply that if the products and services at the bottom of the hierarchy are owned by a particular customer, he/she is ready to acquire another financial service as he/she move up each product level in the hierarchy. This

hierarchy also assumed levels of ownership for each product as they move up. For example, a customer holding a product at number 3 in the hierarchy would mean that he already own product 1 and 2 in the hierarchy. In this manner a pattern of sequence purchase model emerges that identify for cross selling efforts according to the sequence of acquisition of financial services.

Similarly, Prinzie and Van den Poel (2006) employed sequence discover data mining function with mix transition distribution technique to analyze purchase sequences of financial services to identify cross-buying patterns, which might be used to discover cross-selling opportunities as part of customer relationship management (CRM) program. Changchien et al. (2004) employed association data mining function with neural network and association rule technique to develop an on-line personalized promotion decision support system that will promote products by cross-selling personalised promotion items by analyzing the correlation among products.

Early studies on cross selling dominated sequential purchase and association data mining techniques (Kamakura, 2008; Kamakura et al., 2004; Kamakura et al., 1991; Kamakura et al., 2003). A multivariate split-hazard model (Kamakura et al., 2004) considers the time lapse of past purchases across multiple product categories, and based on that, predicts the probability of time and the propensity of the purchase in which the next purchase would occur in a particular product category. This model increases the overall efficiency in manufacturing and distribution by determining when to manufacture and when to promote products to the customers. This is based on identifying customers who are likely to acquire a new product earlier than other customers based on their response and purchase time of the past product.

2.5.2. Predictive Analysis for Cross Selling

After the empirical study on the sequential purchase model by Kamakura et al. (1991), later studies got more focused and technical in developing techniques to predict and cater for customer needs more proficiently through cross selling. These studies would employ data mining functions and techniques to predict cross selling prospects of individual items through their sequence and association patterns to other items. Knott et al. (2002) proposed the Next-Product-To-Buy (NPTB) models for effective cross selling. This model was aimed at predicting the next product the customer is more likely to buy by improving probability. Unlike simplifying

sequencing purchase pattern for cross selling using latent trait modeling, NPTB model employed rigorous forecasting equation for predicting the next most possible product to be bought by customers.

The process involves the compilation of data that includes customer specific data up to a given set of time period with observation details within that time period of what customer bought. Combinations of statistical tools are then employed that includes logistic regression, multinomial regression, discriminant analysis, and neural nets. This provides for an empirical comparison between various statistical models to increase further accuracy. The NPTB model is then estimated by observing a set of predatory variables for a given customer with product(s) that he/she may choose next. These predatory variables are then specified as specific inputs for each statistical model that estimates the coefficient for predicting the next product a customer is likely to buy.

The model was then tested on a retail bank interested in increasing the sale of a specific loan product. In order to test the efficiency of this model it was compared with a demographic based heuristic model that would target customers on a normal wealth related variable like income etc. The intent of the test was to determine whether NPTB model improves response rate and revenue per customer in comparison to demographics-based heuristic model. This would allow testing the accuracy of the NPTB model in offering the right product to the right customer. In this test NPTB model had nine products, including the loan product, to predict which one would be the next most likely product to sell to a particular customer/household. The accuracy rate of the NPTB model was 63.5% in comparison to the demographic-based heuristic model that was 45.8%. The findings of the test revealed that current product ownership provided for the most accurate predictor, followed by monetary value and demographics.

Kamakura et al. (2003) also developed data augmentation tool to predict consumption of new products by current customer by proposing a mixed data factor analyzer that would cross sell based on the survey data from the customer database on service usage and transaction volume. The quintessence of this model is on the argument that the firm should not only have the knowledge about every of its customer's usage of products and services but also about the products and services used by customers in

competing firms. This will give input for the missing data that can be provided for the probabilistic equations for predicting future cross selling opportunities within a firm and its competitors.

2.5.3. Customer Life Cycle Classification for Cross Selling

Li et al. (2005) looked into cross selling with regards to customer life cycle classification and studied behavioural reasons that derive certain purchase patterns by developing customer demand for multiple products over time and derive a product acquisition sequence based on customer's individual level of demand maturity. In a predictable life cycle customers tend to purchase certain item more than other items and so the opportunities arises for cross selling based on that predictability of customer life cycles. The model is implemented in a hierarchical Bayesian framework that assists in establishing behavioural reasons that derive certain purchase patterns. The finding reveals that education plays a greater role in moving along the financial maturity continuum. Households with higher level of education cross buy more than households that are less educated (Li et al., 2005)

A similar study by Salazar et al. (2015) employs mixed data mining techniques to systematically analyse customer life cycle for better cross selling prospective. The study employs segmentation analysis to identify segments whose consumption depends on their life cycle stage. The study then employs acquisition pattern analysis to identify how products' consumption evolves through successive purchases and how products interrelate to each other generating more business opportunities. The study finally employs time analysis to identify the value of contacting customers shortly after their purchases to increase repurchase ratios.

2.5.4. Economic Order Quantity and Cross Selling

Earlier studies on cross selling were more restrictive to research within the financial industry but contemporary studies on cross selling have outgrown its research area to other industries and sectors. Recent academic work has looked into the economic order quantity (EOQ) for inventory replenishment purposes in a non financial industry (Lee et al., 2013; Mittal et al., 2014; Zhang, 2012; Zhang et al., 2014). Mittal et al. (2014) studied the aspects of economic order quantity (EOQ) for cross selling imperfect quality items in a frequent item-set. The study evaluated EOQ of imperfect quality items while considering cross selling effects on imperfect item-set. The study

first applied data mining techniques to find the relation between different item-set and then calculated cross selling effect of imperfect quality item-set to estimate the EOQ.

However, before Mittal et al. (2014), Zhang (2012) did the same study on EOQ for multiple associated items, and their association rule mining for cross selling different and similar item sets. The only difference was that Mittal et al. (2014) focused on imperfect quality items in a frequent item-set. Zhang et al. (2014) later developed the Newsvendor Model on the same concept of economic order quantity (EOQ) for inventory management of multiple associated items, and their cross selling effect on different and similar item sets. This model was distinctive in identifying customer-driven cross-selling by representing an item's effective demand as a function of other items' order quantities.

2.5.5. Customer Relationship Management (CRM) and Cross Selling

Empirical studies on cross selling from a CRM approach has been quite less as when compared to other database mining techniques to CRM. According Ngai et al. (2009), who first identified academic literature review of the application of data mining techniques to CRM between the period of 2000–2006, found that out of 87 articles there were only 2 articles [Changchien et al. (2004); Prinzie and Van den Poel (2006)], that discusses cross selling with CRM which makes only 2.3% of the total literature on cross selling through CRM. Till now there has not been much of difference in the amount of literature except for few later additions by Ansell et al. (2007); Salazar (2010); and Gupta et al. (2014).

Salazar (2010) proposed cross selling model to promote customer retention through CRM in the financial services industry using the 'Who-What-When Framework where statistical tools were employed for customer mapping and segmentation that would enable effective customer retention. It is a cross sectional analytical model that analyses customer segmentation, consumption pattern analysis, and sequence analysis throughout the CRM model framework to suggest cross selling of right product to the right customer at the right time.

Gupta et al. (2014) empirically examines the multi-fold impact of CRM systems on the growth and efficiency of banking operations. The study tests the correlation of CRM systems to identify its effect on cross selling of banking products. The study findings reveal a positive role of CRM in cross selling. Also the study establishes that

banks having focused on cross selling get substantial growth on non-interest income. The study further concludes cross selling as an important strategy in retaining the customers which provides more than one platform to engage with customers.

2.5.6. Pricing and Cross Selling

Pricing in the banking industry is based on the mechanism of market segmentation and product life cycle and not on the cost of producing goods and services alone (Ivan and Kolozsi, 2011). Banking industry is far more complex with a wide range of factors that influences pricing, like for i.e. cost, objectives, other components of the banking marketing mix, competition, legal regulations, demand, economical climate, and client preference Ivan and Kolozsi (2011). A mere cost-oriented pricing that is based on internal orientation of cost analysis alone, does not truly reflect the marketing mechanism of the banking industry for cross selling purposes.

One of the marketing strategies that most of the banks now implement is to retain as many customers as possible (Cohen et al., 2007; Salazar, 2010). This is achieved mostly through cross selling as one of the marketing strategy to gain competitive advantage in the present competitive banking environment. Therefore, banking industry dominantly implements marketing oriented pricing, which is based on the value induced from a well planned marketing strategy for customer retention and cross selling.

However, studies on cross selling from the perspective of pricing strategies are relatively a recent development within the academia when compared to other literature on cross selling. There are many studies that have investigated the relative effectiveness of various pricing strategies on consumer behavior (Ahmetoglu et al., 2014; Leone et al., 2012; Morwitz et al., 1998; Poundstone, 2010; Tversky and Kahneman, 1975) with almost 2000 articles on the topic (Leone et al., 2012). Studies that are directly or indirectly related to cross selling and pricing are mostly within the financial sector except for very few in a non-financial sector. For instance, in a non-financial sector Li et al. (2013) studied price dispersion and Loss-Leader pricing in an online book industry. Loss-leader pricing is when premium goods are priced at low cost to attract consumers to buy other goods based on the idea that customers buy multiple goods (In and Wright, 2014). The study proposes a theoretical model to

analyse the pricing strategies of competing retailers with asymmetric cross-selling capabilities when product demand changes.

The study suggests that retailers with better opportunities for cross-selling have higher incentives to adopt loss-leader pricing on high-demand products than retailers with low cross-selling capabilities. As a result, price dispersion of a product across retailers rises when its demand increases. The study finds that retailers with high cross-selling capabilities reduce prices on best sellers more aggressively than retailers with low cross-selling capabilities. As a result, price dispersion increases when a book makes it to the best-seller list, and the increase is mainly driven by the difference in pricing behaviour between retailers with different cross-selling capabilities.

In financial industry the studies on pricing strategy have contributed significantly to the cross selling literature. An early study by Dzienziol et al. (2002) looked into the different growing distribution channels in financial service industry (Internet Banking, call-centers, WAP etc.) and how to develop pricing strategies for different products and services in different channels. The study itself does not directly relates to the effects of pricing strategies on cross selling but the effects caused by customers willingness to pay for certain products and services over different channels, and the effectiveness of cross selling between these different channels and the marginal costs of each channel. The study provided pricing strategies based on price discrimination models in different distribution channels for the consideration of cross-selling aspects.

As stated previously, cross selling is also a strategic marketing tool for customer retention that incorporates marketing-oriented pricing method, which is a pricing method that includes marketing strategy for negotiating margin (Andriosopoulos et al., 2013; In and Wright, 2014; Kotler and Keller, 2016). Zhao et al. (2013) have looked into banks engaging in cross selling off-balance sheet services and loans, bundled together, to raise switching costs when the competition in the market is low. Switching cost and cross selling have an impact on the pricing strategy of suppliers and competitiveness in the market place. For example, banks reduce the price of their core products (loss-leader strategy) and cross sell them along with other non-core products as a bundle transforming the rent equally across all products to recoup the cost of the loss-leader core product (Farrell and Klemperer, 2007).

Banks also compete on the lifecycle value of customers by reducing the price of core products to gain market share by locking in their existing customers. This is achieved through front loaded compensation where the price of the current product is used as a loss-leader. Here the price is effectively transformed across the period of the customer life cycle value. This locking in of customers in the future determines the strength of the market share in the present and reflects the pricing behaviour (Zhao et al., 2013).

The study by Zhao et al. (2013) has challenged the conventional view that banks under-take a loss-leader strategy of under-pricing loan products to capture bank customers and cross-sell fee-based financial services in times of increasing competition in the loan market. However, the study does not empirically relate to the effect of pricing on cross selling behaviour, or how loss leader pricing strategy effects cross selling behaviour overall. Loss leader pricing strategy is evident in cross selling of fee based financial services in times of increase/decrease competition but there seem to be no empirical study to suggest how one effects the other in a behavioural context.

Guelman et al. (2014) suggested a model for price calculation that considers the price of an insurance policy for holders who should be targeted by a cross-sell campaign. The study shows the implementation of causal conditional inference trees in a real insurance dataset to identify policy holders who should be targeted with revised prices for renewal and cross selling. This study does not directly relate to the aspect of cause and effect of pricing on cross selling. However, a study by Laux and Walz (2009) does suggests that cross selling reduces rents in the underwriting business. This again however does not suggest any effect on the pricing behaviours of such financial institutions apart from that cross selling increases the underwriters' incentives and therefore can be an important strategy for universal banks to enter the investment banking business.

However, the study by Calomiris and Pornrojnangkool (2009) suggests otherwise. The study suggests statistical evidence of different strategic pricing within universal banks and investment banks. Investment banks tend to price loans and underwriting services higher than universal banks (21 basis points higher on loans, 13 basis points higher on debt underwriting fees, and 32 basis points higher on equity underwriting fees). The apparent cost disadvantage of investment banks makes them compete

universal banks in the loan market by providing loan pricing discounts as “rebates” to borrowers who had employed them in preceding equity underwriting transactions. Universal banks on the other hand engage in lending and underwritings more cheaply than stand alone investment banks. The study relates its findings more on statistical economic definition of reality for strategic pricing without exploring the behavioral aspect for explaining the effect on cross selling itself.

2.5.7. Other Relevant Studies on Cross Selling

Ciarrapico and Cosci (2011) have also studied the financial behaviour of banks in relation to interest margin volatility and its effect on Cross selling behaviour. The study does not find any significant relationship between interest margins and cross-selling to suggest interest rates directly effects cross selling behaviour. This seems to challenge most of the conventional literature that argues that banks responds to the interest margin shrink in times of increasing competition by increasing their noninterest income. The study challenged the conventional idea that cross selling banks that operate with low unit costs prefer earning lower interest margins on very standardized services to increase the amount of services sold.

The study suggested that cross selling banks do not decrease their interest margins and they hold with their depositors person-to-person contacts to increase their switching costs. Cross-selling banks seem not so interested as traditional banks in making loans. Banks’ profits on the cross-selling activity depend significantly on the volume, more than on the profitability, of the traditional activity, whereas traditional banks’ profits depend strongly on the borrowers’ rate of default, that is, on the effectiveness of their screening activity, and on interest margins.

However, for cross selling banks, Cosci et al. (2009) have previously suggested a screening model that empirically test the quality of bank loans. The model also identifies positively evaluated loan applicants that are easier to cross sell services. The study also suggests that the larger the banks’ income from services are, the lower their optimal screening effort is required. This study is consistent with the empirical evidence based on a panel of European banks and showing that the quality of banks’ loans decreases with the share of commission income (a proxy for income from cross selling services and products). A later study by Cosci et al. (2015) further adds that competition has encouraged banks to adapt non-traditional activities resulting in

decrease of credit screening and information which can hamper the stability of the financial systems in the future.

In a non financial setting a later contribution to the studies in cross selling has also looked into the behavioural aspect of the consumer attitude and habit towards products and brands and how they effect customer response to cross-selling promotions. Liu-Thompkins and Tam (2013) have identified two drivers (attitudinal loyalty, and habit) that elucidate repeat purchase behaviour. Despite similarities between the two, they are very different from a causal perspective, where attitudinal loyalty being motivated by favorable attitudes and evaluation at the brand level, habit is associated with associative learning in which behavior repetition in a consistent context. Attitudinal loyalty promotes cross selling on the basis of favorable evaluation, whereas, habit influence cross selling as a part of mental association of habit without any guiding reference from attitude, Intentions or goals. Attitudinal loyalty is revealed to affect more positively to cross selling promotions when compared to habit (Ji Song and Wood, 2007; cited in Liu-Thompkins and Tam, 2013).

Apart from Liu-Thompkins and Tam (2013), in the past also there have been a reasonable amount of studies that looked into cross selling from a behavioral science perspective, that included, brand name/reputation, and employee motivation (Cocheo, 2000); incentives for cross selling (Belsey, 2004; and Sonnenberg, 1998; as cited in Vyas and Math, 2006). However, a more comprehensive study by Jarrar and Neely (2002) looked into the behavioural elements for successful cross selling within a financial sector. The study identified many flaws and shortcomings within banks that would hinder the successful cross selling of products, for eg. ineffective method for data collection and use; untrained staff for cross selling; lack of incentives for cross selling; lack of customer profitability analysis, flaws in management communication; lack of capacity planning for large influx of customer; lack of individual value proposition for product redesign.

Similarly, Soureli et al. (2008), and Verhoef and Donkers (2005) have also studied the customer behavioural response in cross selling of financial products. Soureli et al. (2008) proposed a structural equation modelling to test factors that affect customers' intention of cross-buying retail financial services. The study demonstrated the centrality of image and trust in the formation of cross-buying intention and also

showed that customers' cross-buying intention is formed by a combination of interrelationships among the four variables (Image, trust, satisfaction, and perceived value) in the model, which all of it should act simultaneously. Trust in the bank was found to positively affect cross buying intention, Satisfaction positively affects image, and trust, and Image positively affects cross-buying intention.

Verhoef and Donkers (2005) proposed a probit models to explore how retention rates and cross-selling opportunities differ among the various acquisition channels a financial-services provider uses. The study examined the effect of acquisition channels on customer loyalty and cross-buying. The study assumed that acquisition channels affect customer behaviours and found that indeed customer loyalty differs among channels. The study also found that acquisition channels had some degree of effect on cross selling. However, these effects were weaker than those for loyalty. Results indicate that the direct-mail acquisition channel performs poorly on retention and cross-selling, while radio and TV perform poorly for retention only. The firm's website seems to perform well for retention.

In a non-financial industry setting, Yu et al. (2018) explored the cross selling initiative climate and its impact on service-sales performance. Climate is a facet-specific construct that reflects a specific attribute of a general organizational environment (Dov, 2008; Schneider et al., 1998). The study identified frontline employees' perceptions of supervisors' short term focused mindset, and their own sense of accountability as the predictors of a cross selling initiative climate. The study found that short term focused mindset of supervisors disrupts a cross selling initiative climate.

In a relatively similar research, Schmitz et al. (2014) studied the role of supervisory behavior in regards to interaction with salespeople and incentives in enhancing the effect of salespeople's adoption behavior on cross-selling performance in a complex selling context. The study found that transformational leadership enhanced the effect of salespeople's product portfolio adoption on cross selling performance, whereas transactional leadership diminishes the effect. The study also found the effect of incentives on the part of transformational leadership to have a positive effect on cross selling efforts and the absence of it had a negative implication.

However, there is no known empirical study, which has looked into the impact of supervision and leadership roles in impacting cross selling initiatives in financial services industry, especially in IFSI. There is a need to study perceptions of supervisors regarding cross selling in IFSI and similarly supervisory behaviour in enhancing the effect of salespeople's adoption behaviour on cross-selling performance.

2.6. UNDERSTANDING ISLAMIC FINANCE

2.6.1. Sharia Context and Relevance

Islamic financial system is quite different from its conventional counterpart as the former is derived from the implicit interpretation of belief conforming to the laws of Islam, simply known as sharia. Sharia does not share in the same economic doctrines of wealth as that of the conventional economic system but has its own culture of economic understandings. Culture of Islamic banking exists because of an existing underlying core assumption that lay more emphasis to the ethical basis prescribed by religion than purely on economic reasoning of profiteering (Ahmad, 2011).

According to Chapra (1992) the whole notion of Islamic economic philosophy is the welfare of human being at the core providing socio-economic justice for all. The inception of IFSI is based on the socio-economic understanding of sharia, or the objectives of sharia, also known as '*maqasid al-shariah*', which aims to satisfy both the spiritual and material needs of human beings (Harper, 2000).

This notion of socio-economic justice is well reflected in the early work of 11th century scholar Imam Ghazali:

“The very objective of Sharia is to promote the welfare of the human beings, which lies in safeguarding their faith, their life, their intellect, their posterity and their wealth. Whatever ensures the safeguarding of these five serves public interest and is desirable and whatever hurts them is against public interest and its removal is desirable” (Harper, 2000)

Sharia strictly prohibits any economic activity that consists of *Riba* (usury/interest), *Gharar* (uncertainty) and *Maysir* (Gambling). *Riba* is the dealing in interest based transactions, whereas *gharar* is the “deception based on the absence of knowledge or

the unlikelihood of delivery with the prospect of causing harm” (Shahid Ebrahim and Kai Joo, 2001, p. 323). Some examples for *gharar* can be like selling of goods that cannot be delivered, selling goods with wrong description, or making a contract of sale without specifying price. Similarly, *Maysir* is the “speculative elements in a contract where expected gains are not clearly defined at the initiation of the contract” (Shahid Ebrahim and Kai Joo, 2001, p. 323). Gambling for example is *maysir*, or in some cases selling of *gharar* can also become *Maysir*.

Sharia strictly prohibits the transferring of risk in a transaction and then charging a percentage amount as a periodic rent (interest) on the principle loan without the lender having to share the risk (Ahmad, 2011). The only possible way in which the lender can transfer the entire risk is with the transferring of the ownership rights. Tag El-Din (2008), has elaborated on this concept from a philosophical perspective of economic justice in sharia. He elaborates that money as a factor of production (besides land, labour, physical capital and skill) also obeys the principle of *al-kharaju bi al-daman* (return on ownership), as understood from the Prophetic traditions called hadith (Abu Dawud; as cited in, Tag El-Din, 2008, p. 160). According to him, in the case of money, which is a fungible good, the borrower cannot utilise/enjoy the money without consuming it, unlike, in a physical capital, for e.g. a car or a house, where the rentee/lessee can use/enjoy their usufruct without having to consume the physical capital itself. The usufruct of money is in the consumption of that money.

Therefore, the consumption in a fungible good automatically transfers the ownership (*daman*) of that item and its risk to the one who consumes it, making the borrower of the money only liable to pay for exchange of the ownership and not the usufruct alone. This disqualifies the lender of money to charge rent (interest) on an item it does not hold ownership to, and therefore, there is no way the provider of the money capital can claim profit by lending without transferring the ownership. It can only be done if the provider(s) must preserve their ownership of the money capital to themselves. This would mean that the provider of the money capital will invest on a profit loss sharing basis and will have to bear the ownership risk in which no guarantee can be given by the intermediary, or the ultimate borrower. This will lawfully allow the lender to have a share in profit against the ownership risk he/she holds in an investment.

2.6.2. Islamic Finance: Industry Overview

IFSI has enabled Muslims to access the viable financial alternatives without having the need to rely upon financial accessories considered non-Islamic (Alsayyed, 2010, p. 4). The need to stay clean of interest has led to the development of Islamic financial system on a global scale. According to Ernst and Young (2016) report, the global Islamic banking industry profit pool is expected to reach US\$30.3billion 2020. Islamic financial industry grew year-on-year by of 11% to 2.4 trillion dollars in assets in 2017 or by CAGR growth of 6% from 2012 (Ernst and Young, 2016). The assets of Islamic funds grew by almost 19% (IFDI, 2018). Gulf Co-operation Council (GCC) countries added US\$91 billion in Sharia compliant assets in 2015.

According to (IFSB, 2018) the growth of Islamic retail and commercial banking assets in 2014 and 2015 was at 16%, where, Islamic banking assets in six key markets (Qatar, Indonesia, Saudi Arabia, Malaysia, United Arab Emirates, and Turkey, also denoted as “QISMUT”) alone exceeded US\$801 billion in 2015. Approximately 80% of international banking assets are based in QISMUT. Potential for the industry to grow is projected to US\$ 3.8 trillion in assets by 2023, an average projected to grow 10% per year (IFDI, 2018)

In recent years UK has progressed in promoting Islamic finance. In 2013 London hosted the 9th World Islamic Economic Forum (WIEF), which was the first city outside of the Islamic world to host such an event. According to the UK government report, Ernst and Young (2016), UK has since become Europe’s premier centre for Islamic finance with assets up to US\$19 billion. There are more than 20 international banks that provides for Islamic finance, six out of which are completely sharia compliant. British banks have also been active in international sukuk market. In June 2014, the UK government issued sovereign Sukuk worth £200 million on the London Stock Exchange. London Stock Exchange has till 2014 issued 49 sukuk worth US\$34 billion. According the same report, UK has the largest legal services market for Islamic finance in all over Europe. Over 25 law firms and consultancies provide for professional services to global and domestic markets. UK has become the hub for Islamic finance education with more than 10 universities and 4 professional institutes offering degrees and qualification in Islamic finance.

Conventional banks in UK are gradually becoming more inclusive in accommodating to retail Islamic finance for tapping future potential market opportunities. UKTI (2014) propound future potential for conventional banks to incorporate Islamic finance to attract more business from Muslim clients through Islamic mortgage products and then cross sell other products such as free student overdrafts. A similar initiative was taken by HSBC Amanah in 2004 where it launched Islamic pension funds and cross sell it with their other banking products. However, the details of their cross selling an Islamic financial product with other banking product has not been studied academically and so there is not enough literature to support any basis on the nature of its cross selling practices.

2.6.3. Islamic Financial Service Industry (IFSI) and Cross Selling

IFSI Is Less Customer Centric

Despite the growth, Islamic financial services industry seems to be lagging behind in Customer Relationship Management (CRM) and cross selling strategies to retain existing customers and acquire new potential customers (Tameme and Asutay, 2012). Islamic banks in the Gulf Cooperation Council (GCC) countries, which includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, lack customer focus and generally do not seem to consider customer satisfaction a priority as when compared to conventional banks (Kearney, 2012). The same is relevant for certain Islamic financial institutes in the far Southeast Asian countries with decreasing customer loyalty and uncommitted attitude towards customers (Kassim et al., 2009; Kurniati et al., 2015; Naser et al., 2013).

In addition, there is a lack of customer satisfaction when it comes to quality of customer services within IFSI. Consumers of IFSI seeks banking services to be at least equally good if not less than other conventional banking services (Alsoud and Abdallah, 2013). There is a variety of academic literature focusing on customer loyalty and satisfaction in IFSI but there is a cavernous vacuum of literature on cross-selling strategies and factors that influences cross selling within the IFSI. This is well reflected in a research study that looked into the Kuwait Finance House (KFH), the second largest Islamic bank in GCC countries (after Al-Rajhi Banking Investment Company in Saudi Arabia). In the study a significant proportion of the KFH customers were found to have no information and no awareness of the financial

products that were on offer (Naser et al., 2013). This would mean that not much of an effort was made to reach out to the customers, hence, loss of both cross selling opportunities and strong customer relationship building. This also arguably suggests that cross selling and CRM in the IFSI is not affectively implemented as a business priority and business philosophy when compared to developed markets.

A study by Naser et al. (2013) has shown that awareness, understanding, and perception of Islamic banking is positively related to effect the consumption of Islamic banking products and services. Therefore, proper awareness and understanding of Islamic banking on the part of the consumer is crucial for the success of cross selling Islamic banking products and services. However, according to a study by Dar (2005) majority of Muslims surveyed in the UK (about 83%) did not believe Islamic banking products to be Islamic (Coolen-Maturi, 2013). This questions the promotional and marketing capabilities of Islamic banks in failing to create proper awareness and understanding of Islamic banking products to the potential Muslim consumers. This again further translates to the ineffective understanding, employment, and implementation of cross selling within the IFSI

Besides the awareness problem, IFSI also seem to be more product oriented and less customer oriented in its business philosophy and strategy. Naser et al. (2013) emphasized on the importance of Islamic banks having the need to become more customer oriented, and not solely rely on being Islamic as a customer retention and acquisition strategy to attract customers. Dusuki and Abdullah (2007) suggests that the Islamic financial industry should adapt to become more customer centric because of the growing competition from the conventional financial industry. Naser et al. (2013) clearly stresses the need for the IFSI to emphasize substance over form if it wants to become a global player and a viable alternative to the conventional banking industry. This will require building individual relationship with customers and acquire far better understanding of the customer needs for better services.

According to Naser et al. (2013) and Onakoya and Onakoya (2013), Islamic financial service industry is not excluded from the fierce competition irrespective of its selective business ideology and selective group of customers based on their religious disposition. Conventional finance industry has also strategically diversified its products and services to suit its existing customers who demand products and services

specific to Islamic finance. Therefore, being compliant to sharia specific banking is not a differentiator for Islamic banks in this competition, whereas, IFSI are ethically precluded from adopting similar strategy as that of conventional banks because of their religious specific reservations.

According to Dar (2005), only 5% of Muslim population in the UK was seriously interested in having Islamic financial products and services. The other 23% were neutral and would prefer Islamic mortgages if it is to redeem more economic benefit in comparison to the conventional mortgages (Coolen-Maturi, 2013). In a very similar report by Kearney (2012), on customer preference for IFSI, concludes that customers widely fall into three categories. The first two are categorised as “Islamic bank loyalist” and “conventional bank loyalist” with clear preferences, and the third is the “floating mass” which is the largest of all the three categories accounting for between 60% to 70%. The banking decisions of the “floating mass” is based on service quality and pricing of the products and will consider Islamic banks if they are perceived to be at least equal with conventional banks in providing services and products.

Cross Selling Issues in IFSI

Since IFSI is relatively new and is conceptually sharia based, there are still problems with standardization of banking products because of varying interpretations of sharia text in regards to Islamic financial transactions and contracts. This further complicates the product structure and makes it more complex and costly as when compared to similar conventional products. According to BBC business report by Yueh (2014), the complexity of transactional laws in Islamic finance to some extent inhibits cross selling capabilities. Islamic banks lay more emphasis on person-to-person banking relationship allowing branch networking to be more attractive, which undermines other cross selling distribution channels (phone banking, internet banking, etc.). The potential for exploiting cross selling opportunities is therefore underdeveloped within the IFSIs. The average of cross selling within IFSIs is 2.1 products per customer as when compared to 4.9 products per customer in conventional banks (Yueh, 2014).

There are no substantial or empirical studies to evident the nature of cross selling practices and efforts within the IFSI except for few random articles that discusses cross selling on a preliminary level without elaborating on the nature of cross selling practice itself. For instance, Mansoor (2016) in her case study of bancassurance for the Muslim Co-Operative Bank in Pune, India, revealed that out of 20 employees,

only 40% employees were given formal training for cross selling bancassurance product and the majority were not given any training for cross selling. The study does not give any account of how cross selling of bancassurance product with other financial products were distributed. It does not reveal either the scale of successful cross selling, or the benefits it redeemed from cross selling. Bancassurance is when an insurance firm and a banking firm comes together and integrate their marketing resources to sell insurance products through bank's distribution channels (Mansoor, 2016).

The Islamic version of the same is referred to as Banctakaful where takaful companies (Islamic insurance companies) promote marketing and distribution of takaful products (Islamic insurance products) through Islamic banking channels (Mansoor, 2016). The preference for banctakaful via banking channels was found to be more attractive to the customers rather than from independent takaful institutions as people trust Islamic banks more than takaful companies (Coolen-Maturi, 2013). However, this does not substantiate any evidence of cross selling practices in banctakaful, at least not empirically. There is no empirical evidence of bundling Islamic banking products with takaful products for cross selling purposes. The only exception is the distribution of the takaful products via banking channels, which suggests possibility of cross selling practices within IFSI. This leaves a significant research gap that needs to be empirically studied, exploring the nature of cross selling practices within the IFSI.

Perception to Cross Selling

This study did not find any substantial literature in regards to how cross selling is perceived in IFSI. Attitude towards the importance of cross selling in IFSI is unknown. Attitude alone may not amount to a tangible benefit such as high revenue but the cognitive evaluation of those tangible benefits does somewhere shapes perception that enables deliberate action plan to cross selling. Attitude influences behaviour and guides the decisions for future action plans (Fazio, 1990; Strack & Deutsch, 2004). This is particularly true in terms of inclusive umbrella definition for attitude as “a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour” (Eagly and Chaiken, 1993, p.1; as cited in Gawronski, 2007, p.575).

Attitude as behaviour process mechanism in guiding decisions has been previously studied for ‘object-evaluation association’, which represents the MODE model for researching implicit attitude (Fazio, 1990; Gawronski et al., 2018; Strack and Deutsch, 2004). The evaluation of benefit of an object reflects upon the attitudes relevant to the behavioural decision (Fazio, 1990). Fazio and Towles-Schwen (1999) describes the MODE model as a behavioural mechanism that distinguishes between spontaneous and deliberate attitude-to-behaviour process. Spontaneous process is an immediate perception that does not consider conscious deliberation and is without any necessary awareness to the object. Whereas, deliberate response associates object evaluation of attitude object. Cross selling in specific context to IFSI needs evaluating how IFSI associates cross selling as an object of perception and how it motivates them to cross sell.

Cross Selling Incentive Leadership

There is no academic reference to the sales people and their impact on cross selling efforts in IFSI. In conventional banking setting, according to Malms (2012) 58% of failures of cross selling happens due to sales-people and 26% because of sales-managers (Schmitz, Lee et al. 2014). This includes both Insurance companies and banks. There are many variables attached to sales-people and sales-managers failing to perform required cross selling, however, a significant reason to the lower cross selling performance is directly associated to lack of leadership that incentivise cross selling performance (Schmitz, Lee et al. 2014). The role of leadership in promoting cross selling efforts in IFSI is unknown.

Intra-Departmental Cross Selling

There is not much detail regarding how exactly cross selling happens in intra-department cross selling in either conventional banks or IFSI. It is still an underdeveloped study and requires more academic exploration. There is no one specific definition for intra-departmental integration but early scholars like Kahn (1996) describes it as an interaction and communication based activity with collaborating and sharing information flows between departments. Previous studies on intra-departmental or organisational communication have so far mostly looked into behavioural effects of intra-department communications (Tang and Gao 2012). The closest anyone so far has studied intra-departmental communication in regards to cross selling is Madhani (2016). He argues that intra-departmental engagement

provides superior consumer experience that ultimately translates to customer satisfaction making customer more receptive to cross-selling efforts. However, no study has so far directly looked into intra-departmental cross selling or how it effects the whole cross selling experience. This study suggests further investigation into quantifying intra-departmental efforts on cross selling success especially in IFSI.

Sharia Inherent Issues

In specific regards to cross selling there are certain sharia inherent obstacles that can cause to inhibit smooth cross selling of financial products. Although there is no such specific literature that clearly points out to the sharia issues in regards to cross selling, however, it is best assumed that the following sharia issues do and should concern cross selling efforts in IFSI. Cross selling also includes the bundling of financial products and in some cases is binding, and therefore, it can be treated as non-shariah compliant. If the nature of [cross selling] product is such that it combines two separate contracts in one transaction, or combining of two sales in one contract, or two contracts in one deal is prohibited according to the Prophetic tradition and would be deemed as non-sharia compliant (Arbouna 2007).

This inhibits cross selling of bundle products, which cannot be cross sold separately and are binding sales. It is considered an unnecessary need where a customer has to buy the main product with another binding cross sell product(s) bundled together, which is unethical and not-Islamic. According to the AAOIFI (2017, p. 653) Sharia standards, “It is permissible in Shari’ah to combine more than one contract in one set, without imposing one contract as a condition in the other, and provided that each contract is permissible on its own.” This would mean that a bundled product is valid so far it is not binding and can be bought separate to each other.

This in a manner would discourage unethical cross selling where cross selling is employed as a mean to exploit customers and impose unnecessary buying burden on the customer. However, in strict business terms this would amount to discouraging cross selling opportunities for banks. Exhibit 6 below illustrates some of the sharia contracts for Islamic financial instruments.

Exhibit 6: Illustrative Examples of Sharia Contracts for Islamic Financial Instruments
(Source: Exhibit developed by author)

Illustrative Examples of Sharia Contracts for Islamic Financial Instruments	
Exchange Based Contracts	Murabaha (Markup Sale) Istisna (Manufacturing Sale) Salam (Forward Sale) Bay Al-Dayn (Sale of Debt) Bay Al-Sarf (Sale of Currency) Bay Al-Inah (Sell and Buy Back) Tawarruq (Monetisation/ Cash Financing) Musawama (Profit Undisclosed sale) Ijara (Lease)
Partnership Contracts	Musharakah (Equity Partnership) Mudarabah (Venture Capital Partnership)
Security Base Contracts	Kafalah (Guarantee) Rahn (pledge)
Charitable Contracts	Hibah Wadiah (deposits)
Agency Contract	Wakalah (Representation)
Supporting Contracts	Hiwalah Muqasah Ibra Wad

Similarly, there are other prerequisites that do restrict cross selling from a sharia perspective, although not directly but it makes the process to cross selling much difficult than when compared to non-sharia compliant banking. In a murabaha transaction, for instance, it is a prerequisite for the buyer to express the promise to buy the item from the bank in a positive consent form [mostly physically](AAOIFI, 2017). Murabaha is a profit added sale where “a financial institution in murabaha financing purchases the goods for the customer and re-sells them to the customer on a deferred basis, adding an agreed profit margin.” (Alsayyed, 2010, p. 4).

According to the AAOIFI (2017) Sharia standard clause of 2/2/6, not all transactions in murabaha financing with underlying commodities such as gold, silver and currencies can be traded on a deferred payment. This further limits cross selling opportunities for IFSI in Forex and commodity trades. Besides lengthening the process for transaction time period, Islamic banks cannot sell any commodity for murabaha financing before actually or constructively acquiring the subject

commodity. According to the AAOIFI (2017, p. 208) Sharia standard clause of 3/1/1 and 3/2/1, “It is obligatory that the Institution’s actual or constructive possession of the item be ascertained before its sale to the customer on the basis of Murabahah.”

2.7. EMERGING RESEARCH GAPS AND POTENTIAL CONTRIBUTION

Establishing a well-defined research question needs well-defined research gaps that culminate from a well-informed literature review. The analysis of the preceding literature review has led to the identification of emerging knowledge gaps for cross selling research. The Exhibit 7 synthesizes these emerging gaps and their research implications for the easement in demonstrating intended theoretical and contextual contribution for this research study, as discussed later in the section. The Exhibit 7 first intends to emulate knowledge gaps from across all the existing literature relevant to the practices of cross selling. Secondly, it will provide the basis for an emerging potential research question from across other similar and non-similar potential research questions in the table.

There is no known empirical study that explains the impact of supervision and leadership role in influencing cross selling efforts within the specific context of IFSI. Yu et al. (2018) explored the cross selling initiative climate and its impact on service-sales performance in a non-financial industry setting. The study found that short term focused mindset of supervisors disrupts a cross selling initiative climate.

Similarly, Schmitz et al. (2014) studied the role of supervisory behaviour in regards to interaction with salespeople and incentives in enhancing the effect of salespeople’s adoption behaviour on cross-selling performance. There is a need to study perceptions of supervisors regarding cross selling in IFSI and similarly supervisory behavior in enhancing the effect of salespeople’s adoption behavior on cross-selling performance. This calls to ask for a fundamental question how top management perceive cross selling in IFSI and why?

Exhibit 7: Emerging Knowledge Gaps And Research Questions in Existing Literature on Cross Selling
(Source: Exhibit developed by author)

Emerging Knowledge Gap And Relevant Research Questions in Existing Literature on Cross Sellings				
Emerging Knowledge Gap		Reference	Implications for Research	Emerging Research Questions
1	Short term focused mindset of supervisors disrupts a cross selling initiative climate.	Yu et al. (2018)	There is no known empirical study that explains the impact of supervision and leadership role in influencing cross selling efforts within the specific context of IFSI	How does the top management perceive cross selling in IFSI and why?
2	A significant reason to the lower cross selling performance is directly associated to lack of leadership that incentivise cross selling performance	Schmitz, Lee et al. (2014)		
3	Intra-departmental engagement provides superior consumer experience that ultimately translates to customer satisfaction making customer more receptive to cross-selling efforts	Madhani (2016)	In specific context to IFSI there is no known study that has looked into intra-departmental cross selling efforts and how it affects cross selling experience	How does IFSI engage in cross selling?
4	Banks undertake a loss-leader strategy of under-pricing loan products to capture bank customers and cross-sell fee-based financial services in times of increasing competition in the loan market.	Zhao et al. (2013)	There is no known study that looks into pricing for cross selling strategy in IFSI context	
5	Islamic banks are relatively poor at cross-selling with an average of 2.1 products per customer compared to 4.9 products per customer in conventional banks.	Yueh (2014)	There is no known empirical study that elaborates on cross selling efforts in IFSI. The nature of cross selling in IFSI is unknown	How is cross selling performing in IFSI and how does it compare to conventional banks?
6	Maximum number of employees have not been given training for cross-selling of bancassurance products	Mansoor (2016)	Employees training program for cross selling of Islamic financial products is unknown within the specific context of IFSI	How much effort is IFSI putting for cross selling initiative and how serious is it in achieving cross selling goals?
	Lack of awareness about Islamic bancassurance		Marketing and promoting strategies for cross selling Islamic products is unknown	
7	There is lack of awareness about takaful insurance and its main principles	Coolen-Maturi (2013)	No empirical study to suggest bundling of insurance and banking products for cross selling purposes.	How does IFSI engage in cross selling?
	The majority of the respondents prefer to get takaful products via banking channels rather than from independent takaful institutions.			

Intra-departmental engagement provides superior consumer experience that ultimately translates to customer satisfaction making customer more receptive to cross-selling efforts (Madhani, 2016). However, there is not much known about intra-departmental

cross selling in the unique context of IFSI. It is still an underdeveloped study and requires more academic exploration. This firstly calls to ask for the existing nature of cross selling in IFSI and how IFSI engages in cross selling as there is a vacuum of academic literature that should inform of cross selling activities in IFSI. Similarly, there is no known study that looks into pricing for cross selling strategy in IFSI context. Loss leader pricing strategy is what most banks employ for cross selling purpose (Zhao et al., 2013). Since even the fundamental nature of cross selling itself is unknown in the specific context of IFSI, the question is to first explore why and how cross selling is done in IFSI before any other investigation.

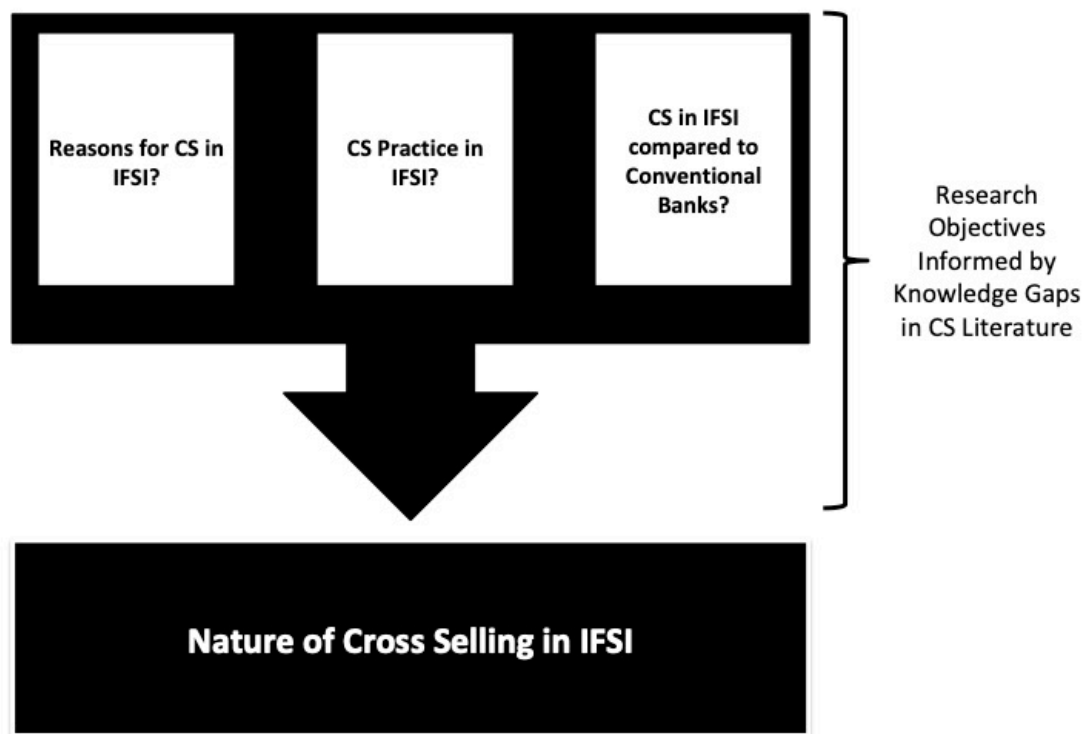
Cross selling in context of IFSI has been the most underdeveloped studies with almost no known empirical literature on the subject. According to the BBC news report by Yueh (2014) Islamic banks are relatively poor at cross-selling with an average of 2.1 products per customer compared to 4.9 products per customer in conventional banks. There is no empirical study to suggest the cause for poor cross selling performance by Islamic banks. The report is mostly on assumptive grounds suggesting cultural reasons that inhibits cross selling in IFSI. This again calls to ask for a fundamental question as to why and how cross selling is practiced in IFSI before questioning cross selling performance and how it compares to conventional banks.

Mansoor (2016), in her study reveals that training for cross selling Islamic insurance products through Islamic banking distribution channel is inefficient. There is a lack of awareness about bancassurance. Appropriate training is required to cross sell Islamic insurance products with other Islamic banking products. Employees training program for cross selling of Islamic financial products is unknown within the specific context of IFSI. Similarly, Coolen-Maturi (2013) reveals that the majority of takaful customers prefer getting takaful products via Islamic banking channels rather than from independent takaful institutions. This indicates cross selling of takaful products by Islamic banks. However, there is no empirical study to suggest bundling of takaful and banking products for cross selling purposes. The practice of banc takaful alone does not establish cross selling, except both Takaful and other Islamic banking products are being traded through single distribution channel. This needs to explore how IFSI is practicing cross selling and how much effort is IFSI putting for cross selling initiative and how serious is it in achieving cross selling goals?

2.7.1. Intended Research Gaps Informing the Nature of Cross Selling in IFSI

The emerging knowledge gaps in Exhibit 7 revealed that the purpose, process and mechanics for cross selling within the IFSI is unknown. From point of developing an integrated customer view to segmenting customers for cross selling financial products and services has not been empirically studied. Each of the above discussed research gaps in their individual capacity can contribute to their specific theory of knowledge around cross selling. However, collectively putting them together they derive weightage to inform of a more fundamental research question(s) that can contribute both theoretically and contextually to form a valid empirical research. This is to ask why IFSI engages in cross selling? How IFSI practise cross selling? And how does cross selling in IFSI compares to conventional banks? (See Exhibit 8).

Exhibit 8: Research Objectives informing the Nature of Cross Selling in IFSI
(Source: Exhibit developed by author)



IFSI is now one of the most prominent emerging industries with huge economic significance on a global scale. Since there is a vacuum of research in specific regards to cross selling within the IFSI, this justifies for an academic research to explore the existing nature of cross selling within the IFSI. From a very specific theoretical and contextual contribution perspective, this study collectively identifies a single common

research knowledge gap over a collection of other research vacuums within the cross selling literature in IFSI. That is to explore the nature of cross selling within IFSI.

Research gaps mentioned in Exhibit 7 in section 2.7 informs of a common research vacuum that falls short to explain how cross selling exists within the IFSI. It is imperative to first explore the fundamental existence of cross selling in IFSI before addressing to specific knowledge gaps around cross selling in IFSI. There are no known empirical studies to suggest how IFSI achieves cross selling, the mechanics of implementing cross selling within the IFSI is unknown. This study will intend to explore the nature of cross selling in IFSI by investigating the reasons why IFSI engages in cross selling, how IFSI practices cross selling in terms of efforts and challenges it faces, and how does IFSI compares to conventional banks in terms of cross selling.

2.7.2 Research Aim And Objectives

Keeping in view of the identified research, and of the intended theoretical and contextual contribution, this research aims to explore the nature of cross selling in the IFSI. Keeping in view of the aim for this study, this research primarily endeavours to investigate the nature of cross selling in IFSI. Cross selling within the conventional financial service industry is well studied. The reasons and purpose for which financial institutes employ cross selling are many. First, it helps to retain customers (Kamakura, Ramaswami, and Srivastava, 1991; Kamakura, Wedel, de Rosa, and Mazzon, 2003; Larivière and Van den Poel, 2005; Thuring, Nielsen, Guillén, and Bolancé, 2012); Second, it helps in increase switching cost (Kamakura et al., 1991; Kamakura et al., 2003; Salazar, 2010; Thuring et al., 2012); Third, it helps in improving market share (Farrell and Klemperer, 2007; Zhao et al., 2013; Kumar, Kee, & Manshor, 2009); Fourth, it helps in improving long term customer relationship (Thuring, Nielsen, Guillén, and Bolancé, 2012; Prasongsukarn, 2009; Zablah, Bellenger, and Johnston, 2004); and fifth, it helps improve profitability for financial institutions (Coyles and Gokey, 2002, 2005; Schmitz et al., 2014)

However, there is no known empirical study that should inform how cross selling is perceived in the IFSI, or in what nature cross selling exists in the IFSI. There is not enough literature to substantiate the nature of cross selling practices within the IFSI. This creates a vacuum around the overall understanding of cross selling in IFSI

regarding its purpose, adoption, orientation, infrastructure support (IT) and organisational support. Therefore, the first objective of this study is:

Research Objective 1. To explore and understand the reasons why IFSI engages in cross selling?

This first objective will help in understanding the purpose and reasons why IFSIs undertake cross selling. This should also help understand the current status of the extent of use of cross selling in the IFSI. This will also help in answering how much importance IFSI gives to cross selling as a key growth strategy and where does the industry see itself in employing competitive cross selling for future market growth. Similarly, there is no known empirical study to suggest how IFSI implements cross selling. The mechanics of cross selling within the IFSI is unknown. From point of adoption to organisational support there is no literature that discusses how IFSI engages in cross selling. Therefore, the second objective of this study will be:

Research Objective 2: To explore and evaluate how cross selling is practised in IFSI

This second objective will help in understanding the practical nature of cross selling within the IFSIs and help identify the issues of customer segmentation, segment product penetration, product bundling, organizational support for cross selling and performance of cross selling within the IFSIs. This will also show any barriers or facilitators for cross selling within the IFSIs. To give further reference ground to the above two research objectives, and for the purpose of giving more comprehensiveness and substance to the research the third objective is:

Research Objective 3: To evaluate how cross selling in IFSI compares with conventional banks?

CHAPTER 3. RESEARCH METHODOLOGY

3.1. INTRODUCTION

A significant amount of academic research has covered cross selling in different industry types and different contextual categories. These different categories of contextual and industry distributions mostly discuss the conceptual utility advantages of cross selling in retaining customers, increasing switching cost, improving market share, long term customer relationship building, and profitability. However, a significant gap exists in the unique context of IFSI. There is a vacuum in the literature explaining the working mechanics and the nature of function in which cross selling exist within the IFSI. This is because empirical studies focusing on cross selling within the IFSI remains unknown.

To qualify as an empirical endeavor to study cross selling in IFSI this study requires methodological prerequisites of research to determine the validity and reliability of this research. This chapter discusses the philosophical paradigm of this research, which is interpretivist and social constructionism. This chapter also discusses the research approach, method, and strategy for this study, which is inductive, qualitative, and a case study respectively. The chapter discusses the detail account of data collection method and analytical tools employed for churning out the theoretical finding for this research that forms the basis of this study.

3.2. RESEARCH PHILOSOPHY

The essence of undertaking any research is in understanding the nature of knowledge, its rationality and justification for creating and developing theory and knowledge for that research. Philosophy is “a set or system of beliefs [stemming from] the study of the fundamental nature of knowledge, reality and existence” (Collis and Hussey, 2013, p. 43). According to Saunders et al. (2011) Research philosophy contains important assumptions about the philosophical perception of researchers towards their research. These perceptions are based on the epistemological and ontological assumptions that underline the research strategy and research methods chosen as a part of that strategy (Remenyi et al., 1998) This is because it influences the relationship between knowledge and the process by which research is developed. Johnson and Clark (2006) asserts that researchers need to be aware of the philosophical research strategy given that it has not only a significant impact on the

research process, but also on the understanding of the research questions. The research design of this study is case study using qualitative approach, which is based on Interpretivist philosophy and therefore, this study will primarily discuss the philosophical outlook of this research.

According to Collis and Hussey (2013) there are two paradigms in the epistemology of research philosophy that guides how scientific research should be conducted. One is positivism that roots from the objective philosophy of Realism, and the other is Interpretivism that roots from the subjective philosophy of Pragmatism. “Positivism is an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality” (Bryman and Bell, 2015). The key idea of the positivism is that the social world exists externally, and that its properties should be measured through objective methods, rather than being inferred subjectively through sensation, reflection or intuition (Easterby-Smith et al., 2012). The creation of knowledge in positivism is derived from ‘positive Information’ because it can be scientifically verified, or it can provide logical or mathematical proof for every rationally justifiable assertion (Collis and Hussey, 2013; Walliman, 2011)

Positivism can be argued as an offshoot of ‘Scientific Realism’ or Realism, which is another epistemological position that considers reality as objective and independent of human thoughts and beliefs (Saunders et al., 2011). However, it differs to Positivism by means of social conditioning. Bhaskar (1989) argues that in order to understand reality, it is necessary to understand the social structures that have given rise to the phenomena under analysis (Bryman and Bell, 2015). Positivism relates more to the quantifying ability of science without philosophically associating to the subjective reality, whereas, scientific realism associates with identifying the structures at work that enables the quantifying ability of science (Bryman and Bell, 2015)

Collis and Hussey (2013) mainly identifies all research philosophies between a line of two extreme paradigms, positivism and interpretivism, and all the rest falling somewhere in between these two extremities existing simultaneously. As such, it can be well imagined that Realism gives way to positivism in one extreme and pragmatism gives way to Interpretivism in another extreme of the same line. Interpretivism can be identified as an epistemological position in a research paradigm

that considers reality as a social construct which is subjective and open to change. In this paradigm, knowledge is subjective and focuses upon the details of a situation, a reality behind these details, subjective meanings and motivating actions (Saunders et al., 2011).

To determine a research orientation of a given research philosophy, Collis and Hussey (2013) identifies philosophical assumptions of positivism and interpretivism that underpin the characteristics of these two main research paradigms. From the ontological perspective of the assumptions, which relates to the nature of reality, positivists believe social reality to be objective and external to the researcher, whereas, Interpretivists believe social reality to be subjective because it is socially constructed. For Positivists there is only one reality and according to them everyone has the same sense of reality, whereas, for interpretivists every individual has his or her own sense of reality and so there can be multiple realities.

From the Epistemological perspective of assumptions, which are related to the concept of validity of knowledge, positivists only consider something as knowledge that is observable and quantifiable (Collis and Hussey, 2013), whereas, for interpretivists observation coming from subjective evidence from participants where the researcher interacts with phenomena under study is also valid knowledge (Easterby-Smith et al., 2012). Similarly, looking at these two paradigms from the perspective of methodological assumptions which relates to the process of research, positivists choose a process which can be measured, whereas, interpretivists choose a process which can obtain different perceptions of a phenomena that can help in understanding the patterns (Collis and Hussey, 2013).

Ontological assumptions of interpretivism according to (Tadajewski, 2006) is that the reality is “socially constructed, multiple, holistic, contextual” (Cova and Elliott, 2008, p. 124); and secondly, “social reality is seen to be inter-subjectively composed, so that epistemologically, knowledge is not approached from the standpoint of an external, objective position, but from the lived experience of the research co-participant” (Cova and Elliott, 2008, p. 124),

Narrowing the focus on the continuum of a single line between positivism and interpretivism, Subjectivism reflects interpretivism more vividly when considering the notion of reality from a pure ontological perspective. Subjectivism is also famously

referred to as Social Constructionism, which again is a group of approaches that Habermas (1970) has referred to as interpretive methods. Subjectivism (or social constructionism) according to (Easterby-Smith et al., 2012) allows the observer as part of what is being observed and subjects human interest as one of the drivers of knowledge creation. In this research philosophy the concept of reality should incorporate stakeholder perspective and generalization is done through theoretical abstraction as opposed to positivism where generalization is done through statistical probability.

In conclusion, this research frames its research philosophy as Interpretivist based on its scope and implications. This is because this study is set to explore the nature of cross selling within the IFSI where there are no previous known observations for data validation (i.e. testing, results generalization) for assessing those results within a social context. In addition, the research philosophy is Interpretivist also because the research is subjective in nature as it involves social participants and their views in form of interviews and therefore this study is value-led and not value free as in the case with positivism, and therefore is not free from social biases.

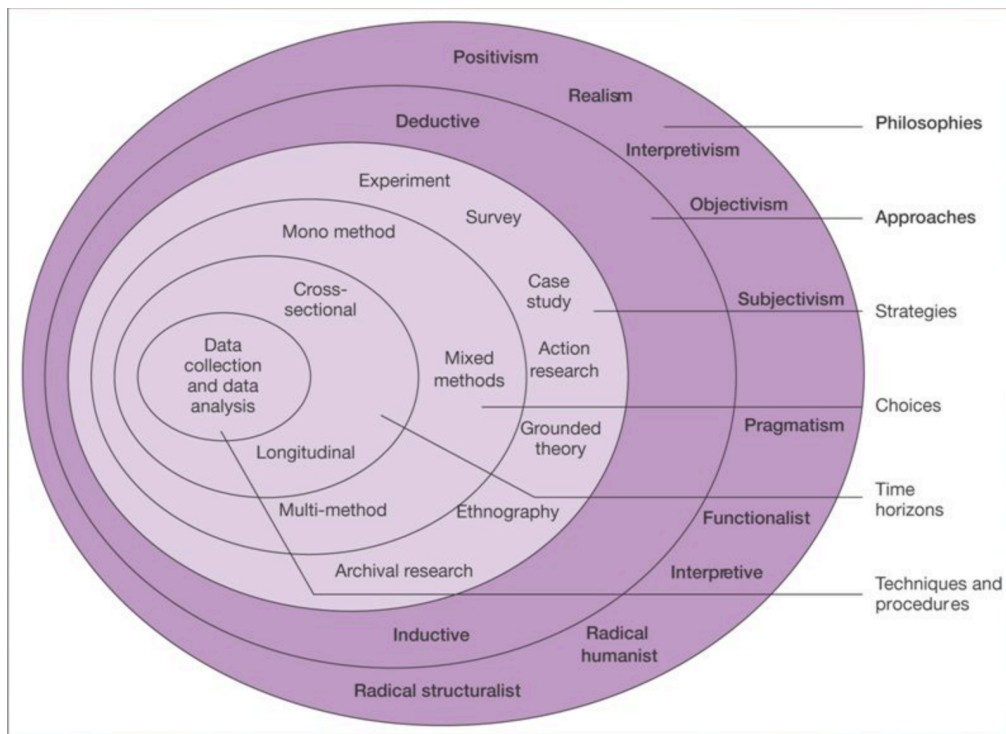
3.3. RESEARCH APPROACH AND METHOD

According to Saunders et al. (2011) philosophical positions of a research determines the research strategies that needs to be adopted in a research study. They illustrate this by means of ‘research onion’ (see Exhibit 9 below) metaphor that needs to be peeled one by one as the research progress in line with its research aim and objectives.

Considering the ‘research onion’ metaphor as an illustration for choosing a research strategy as the next step, interpretivism as a research philosophy opens the research process to several strategies after choosing between the deductive and inductive research approach. Keeping in view of the research aim and objectives of this research, it is postulated that an inductive research approach is more suited in responding to the qualitative research designs.

Exhibit 9: Research Onion Metaphor

[Source: adapted from Mark Saunders, Philip Lewis and Adrian Thornhill (2008)]



According to Blaikie (2000), there are four basic research approaches, (1) Inductive, which is aimed at deriving theories from data and patterns, (2) Deductive, which is aimed at testing hypothesis about some phenomena, (3) Retroductive, which is aimed at identifying underlying principles, and (4) Abductive, which is aimed at discovering the motivation underpinning social situations (Salazar, 2010)

For the qualitative research questions, induction is the most suitable approach. It begins with the collection of data followed by generalisations that are derived by using logic. The quantitative questions are addressed using deduction. Deduction involves the development of a theory that is subjected to a rigorous test (Saunders et al., 2011). It is the dominant research approach in the natural sciences, where laws present the basis of explanation, allow the anticipation of phenomena, predict their occurrence and therefore permit them to be controlled (Collis and Hussey, 2013).

3.3.1. Inductive and Deductive Theory

Studies subjected to positivist research philosophy are mostly deductive as they mostly associate to theory testing (deductive), whereas, studies subjected to interpretivist research philosophy are mainly inductive as they tend to build theory (inductive) (Carson et al., 2001). Inductive theory or Induction is a scientific way of

linking theory with research in a manner where findings of the research are fed back into the stock of theory (Bryman and Bell, 2015). It is unlike deduction where a hypothesis is deduced from an existing theory, which is subjected to empirical scrutiny to approve or disapprove theory (Bryman and Bell, 2015). The inductive approach leaves aside preconceptions about the research question, the data and its relationships. This implies that the outcome from the research is not anticipated. In the absence of prior presumptions, the main task is to analyse the data collected by using inductive logic to draw generalizations and regularities (Easterby-Smith et al., 2012).

According to Mantere and Ketokivi (2013:75) induction involves developing theory in a data driven manner using qualitative data, which is understood as “a set of proportional statements linking the key concept in the theory to one another” (Bryman and Bell, 2015, p. 26). Wolfe (1924) and Hempel (1966) have summarised induction in four stages, first, facts are observed without evaluating their relative importance; Second, facts are analysed, compared and classified, free from hypothesis about their behaviour or relations; Third, The analysis generalizations are obtained by establishing relationships; Fourth, generalizations should be tested for further analysis.

The reason for choosing inductive research approach is that the study involves interviewing executive and senior management to develop an empirical understanding about the nature of cross selling in the Islamic financial services industry. The study aims to explore the nature of cross selling without any prior assumptions or hypothesis that can be subjected to empirical scrutiny for approval or disapproval of an existing theory on the subject. This study is aimed at building a theory (inductive) rather than testing a theory (deductive).

3.3.2. Research Methods

Research methods are basically divided into two types, qualitative and quantitative, which in research concept is the method to collect data and the method of analyzing the collected data.

Quantitative research is an approach to systematic investigations with a scientific character, which seeks to numerically understand phenomena, properties and their relationships using mathematical models, theories and hypothesis (Blaikie, 2003).

Whereas, qualitative research is also an approach to systematic investigation with a scientific character but usually emphasizes on words rather than quantification in the collection and analysis of data (Bryman and Bell, 2015). Unlike quantitative research that usually follows a deductive trail of deducing a hypothesis from a theory for empirical testing based on positivist objective of mathematical models, qualitative research is inductive, constructionist, and interpretivist (Bryman and Bell, 2015).

This study chooses qualitative research as the method to collect and analyze data based on the scientific approach of investigation that emphasis on words for the generation of scientific knowledge. Since this study employs Interpretivism and social constructionism as its research philosophy and follows an inductive approach it justifies qualitative approach as its chosen research method for data collection and analysis.

3.4. RESEARCH STRATEGIES

According to Collis and Hussey (2013) research paradigm is closely linked to the research strategy and research design because research paradigm is a philosophical framework that guides how research should be conducted. Therefore, methodologies related to positivist research philosophy have research strategies that suits positivists approach of data collection and analysis such as experimental studies, surveys, cross sectional studies, longitudinal studies, etc. Methodologies that are associated with interpretivist research philosophy, or philosophies that are associated to interpretivism such as subjectivism or social constructionism have research strategies that focus on data collection and data analysis that helps in the interpretation of subjective context. Research strategies associated to mostly interpretivist approach are Hermeneutics, ethnography, participative enquiry, action reaction, case study, grounded theory, etc.

The initial intention for this research was to employ grounded theory because according to Corbin and Strauss (1990) grounded theory develops an inductive theoretical formulation of a phenomenon that is under investigation. Also because grounded theory is one of the most effective research strategies employed in exploratory researches (Collis and Hussey, 2013). However, grounded theory has changed a lot over the years and has developed along different paths and methods. There is no unified consensus regarding a definitive approach to grounded theory as it varies in concept itself. According to Bryman (2016) there is a considerable

controversy regarding what grounded theory is and what it entails as there are many versions branching from two different grounded theories of Glaserian and Straussian approach. The one of the most noted criticism of grounded theory is that although it is considered as the strategy for generating theory however it is more likely to generate concepts rather than theory as such (Bryman, 2016).

However, the real concern that is more relevant to this study in particular is that grounded theory requires data collection and analysis in a tandem repetitive process (Bryman, 2016). This would mean and require reproaching the interview respondents more often than one time. This was not possible in this particular study as the respondents were not easy to access because of the nature of their busy schedules and their position as executive and senior managers. It would require for meeting requests weeks in advance if not months and still the appointments were not guaranteed.

Keeping in view of the above concerns to grounded theory, and also keeping in view of the research aim and objectives of this study, case study research strategy is more suited to this research as an equally effective alternative to grounded theory. Collis and Hussey (2013) defines case study as methodology that is used to explore a single phenomenon (the case) in a natural setting using a variety of methods to obtain in-depth knowledge.

According to Yin (2013) case study helps the researcher to develop a theory through systematic piecing together of detailed evidence extracted from in depth exploration of phenomena in context. Yin (2009, p.18) defines case study, as an empirical inquiry that “investigates a contemporary phenomenon within a real- life context; especially when the boundaries between phenomenon and context are not clearly evident; and relies on multiple sources of evidence with data needing to converge in a triangulating fashion” (Collis and Hussey, 2013, p. 68). This research is not a case study of specific Islamic banks but a case of Islamic financial services industry in UAE. This study will employ triangulation through multiple interviews from over across the whole Islamic financial industry. Case studies usually enables triangulation to take place (Saunders et al., 2011). Triangulation is the employing of more than one method or source of data collection in the study of social phenomena (Bryman and Bell, 2015). This provides substance to the reliability and validity of the qualitative data collected that reflects the extent of accuracy of the phenomenon under study (Collis and Hussey,

2013; Kumar et al., 1993). According to Saunders et al. (2011) triangulation method is useful in case study strategy as it ensures reliability of the information being collected and understood is the same.

Since this study was aimed at explore the nature of cross selling (the case) in the contextual environment of Islamic financial services industry and since there is no substantial clarity between cross selling and Islamic finance services industry, this research justifies to adopt case study with triangulation via multiple respondents as its research strategy for this study. Yin (2003) distinguishes between single case study and multiple case study. The former is suitable when the subject of analysis is a unique or rare case. The use of several case studies allows for comparison, as it investigates a particular phenomenon under diverse circumstances (Saunders et al., 2011). According to Yin (2003) a multiple case study enables the researcher to explore differences within and between cases. The goal is to replicate findings across cases (Baxter and Jack, 2008). Since the aim of this research is to explore the nature of cross selling across the whole Islamic financial services industry and not specific Islamic banks, this study will employ a single case study of IFSI in UAE.

3.5. DATA COLLECTION AND ANALYSIS

Keeping in view of the aim and objectives of this study case study method was chosen. The method used in collecting data in a case study includes documentary analysis, interviews and observations (Collis and Hussey, 2013). This study has employed interviews with executive and senior managers of IFSI as the method for data collection. This will give a holistic picture around understanding the nature of cross selling within the Islamic financial services industry. “Interviews are a method for collecting data in which selecting participants (the interviewees) are asked questions to find out what they do, think or feel” (Collis and Hussey, 2013, p. 133). Kvale (1983) defined the interview as perhaps the most powerful means for attaining an in-depth understanding of a respondent’s experience, where the researcher’s the aim is to gather data/information by holding a meaningful conversation with the interviewee (Salazar, 2010).

Interviews can be highly formalized and structured or they can be quite unstructured allowing free-ranging conversation (Easterby-Smith et al., 2012). Saunders et al. (2011) explains the overlapping differences between the typologies of the interview

structures and identify them into three main categories: (1) structured interviews, (2) semi-structured interviews, and (3) unstructured interviews.

Structured interviews are formulated on predetermined standardized questions also referred to as interviewer-administered questionnaires. The questions for interview are read out as exactly as written so as not to indicate any bias. Structured interview are mostly collected as a quantifiable data and so are also known as quantitative research interviews. Comparatively semi structured and unstructured interviews (in-depth interviews) are non standardized and are mostly referred to as qualitative research interview (Saunders et al., 2011). Semi-structured interviews follow a list of questions referred to as interview guide to encourage the interviewee to talk about the main topic of interest and develop other questions during the course of interview (Collis and Hussey, 2013). Whereas, unstructured interviews on the other hand are informal in nature and do not necessarily follow a predetermined research guide or list of questions to follow through. They are also referred to as in-depth interviews (Saunders et al., 2011)

According to (Easterby-Smith et al., 2012, p. 145) semi structured and in-depth (unstructured) interviews are useful when:

- It is necessary to understand the constructs that the respondent uses as a basis for his or her opinions and beliefs about a particular matter or situation;
- The aim of the interview is to develop an understanding of the respondent's 'world' so that the researcher might influence it, either independently, or collaboratively;
- The step-by-step logic of a situation is not clear; the subject matter is highly confidential or commercially sensitive; and there are issues about which the interviewee may be reluctant to be truthful other than confidentially in a one-to-one situation.

Keeping in view of the explanation above regarding interview structure, this study will employ semi-structured interview for its collection of primary data. This is because the objectives of this study demand answers for a specific group of questions like nature of cross selling in IFSI which cannot be understood without

encouraging the interviewee with some form of structured questions. At the same time interview structure also needs flexibility to maneuver the questions to follow a discourse rhythm of important information about the experiences and feelings of the interviewee to obtain more comprehensive and powerful insight and understanding of cross selling in the Islamic financial services industry. Therefore, a semi-structured interview format suits the objectives of this study and hence is justified in employing so. This will include snowballing sampling technique, which allows margin to include other people with similar experiences that can equally contribute to the data as an interviewee (Collis and Hussey, 2013).

3.5.1. Semi Structured Interview Guide

The semi-structured interview guide for this study is as follows:

INTERVIEW GUIDE QUESTIONS

Overview: This research is purely of academic nature with assurance of confidentiality of data and anonymity of respondents. The research will be conducted via interview questions with senior and middle managers to understand the nature of cross selling in the Islamic Financial Service Institutions (IFSI). The respondents will be approached in a fully ethical manner and prior consent will be taken from the IFIs and respondents to ensure that the respondents and firms consent to the conduct of research and being part of it. For any questions, please contact h.mahmoodahmad@edu.salford.ac.uk

Guidance for interviewees: Please be open, and honest in your answers to the questions. Please feel free to ask questions if you want to clarify anything.

In order to meet the objectives of this study an interview with the top management would require the following questions to be asked:

Objective 1: To explore the reasons why IFSI engage in cross selling

1. How will you describe the present condition of the your IFSI? why?
2. Please explain why cross selling is used at your IFSI?
3. Please explain how you or your firm perceive cross selling? Why?
4. Do you think cross selling is same or different in IFIs as compared to the conventional financial industry? Please explain why?

Objective 2: To explore how IFIs practise cross selling.

5. How does your firm engage in cross selling? Why in this way?
6. How do you identify cross selling opportunities?
7. Do you segment your customers for best cross-sell targets? If yes, how? If not, why?
8. Do you use marketing tools for promotion of cross selling products and services? If yes, how? If not why?
9. Does your company provide organizational support to the concept and practice of cross selling? If yes how? If no, why not?

10. In your opinion, what are the factors that promote or inhibit cross selling within the IFSIs?

Objective 3: To evaluate how cross selling compares within different types of Islamic Financial Institutions (IFSIs)

11. Do you think different type of IFSIs have adopted cross selling in a similar manner? Why, any examples?
12. Can IFSIs do more to improve cross selling and its performance gains? If so, why? How? Please explain
13. Would you like to mention anything else regarding cross selling in IFSIs?

Thank you and your help is much appreciated.

3.5.2. Case Selection And Unit of Analysis

For interviewing the top management within the Islamic financial services industry, emails requesting for interview were sent to 9 UAE Islamic banks. These emails were either sent directly or through assistance by means of professional references and professional connections already working in the industry. Confirmation of appointments for respondent interviews was either confirmed through emails or on phone verbally. In total of 17 respondents from 9 Islamic banks agreed for the interview (See Exhibit 10). Out of the 9 Islamic banks, 2 Islamic banks are tier 1 category (Banks A and D), 3 Islamic banks are tier 2 (Banks E, H, and F), and 4 Islamic banks are tier 3 (Banks C,M,N, and S). The tier category represents the total asset value of the Islamic banks in billion US dollars. Islamic banks that have the total asset value of 30 billion US dollars or above are classified as tier 1 category. Similarly, Islamic banks that have the total asset value of 10 billion US dollars and less than 30 billion US dollars are classified as tier 2 categories, and below that are classified as tier 3 categories (See Exhibit 10).

Exhibit 10: Islamic Bank Classification by Assets in USD (Billion)
(Source: Exhibit developed by author)

Islamic Bank Classification by Assets in USD (Billion)		
Total No. of Islamic Banks	Tier Category	Asset in Billion USD
Bank D	1	Above 30
Bank A	1	Above 30
Bank E	2	Above 10
Bank H	2	Above 10
Bank F	2	Above 10
Bank N	3	Below 10
Bank M	3	Below 10
Bank S	3	Below 10
Bank C	3	Below 10

The purpose for categorizing the Islamic banks into tiers was for the convenience of identifying their business size and market position within the IFSI. This would provide for a detail breakdown description of Islamic banks relevant to their banking and market size, and as an indicator to suggest cross selling achievements and capabilities in relevance to their tier categories.

All the interviews were taken in one country, United Arab Emirates (UAE), to avoid cultural biases as it can influence the study in number of research biases making this study invalid. According to Yin (2003) “it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predict contrasting results based on a theory” (Baxter and Jack, 2008, p. 548). The purpose for choosing UAE for interviews is because of the logistical respondent access, as the industry is very strong in terms of market share, accessibility and availability, and so it enhanced the chances of securing interview far better than any other country. Malaysia was also a viable option, however, travelling and accommodation would have proved beyond the expenses allocated for this research.

This study suffices to a sample size of 17 interviews. Baker et al. (2012) in referring to Bryman (2012) suggests a number of factors as a guide to choosing a sample size for the numbers of interviewees in a qualitative research interview. The first one is theoretical saturation where the researcher continues to sample relevant cases until no new theoretical insights are being gleaned from the data. Once saturation is achieved, the researcher would move on to a research question arising from the data collected and then sampling theoretically in relation to that question. Guest et al. (2006) conducted an experiment on a corpus of transcripts from interviews with women in two West African countries and found that saturation was attained after twelve interviews.

The second factor in choosing a sample size is a stated ‘minimum requirements’ for sample size by researching bodies like universities and other research Institutes. For example, in *Social Research Methods*, Warren (2002) suggests that the minimum number of interviews needs to be between twenty and thirty for an interview-based qualitative study to be published (Bryman 2012, p.425). However, there are no empirical or scientific rulings in suggesting the minimum requirements. Sample sizes vary considerable in qualitative research. Mason (2010) studied the abstracts of doctoral thesis relating to interview-based qualitative studies in Great Britain and Ireland and found that the range was 1 to 95 (the mean was 31 and the median 28). He also examined 50 articles based on grounded theory and found sample sizes to vary between 5 and 350 (Bryman, 2012; cited in: Baker et al., 2012).

Islamic financial services industry is relatively a very recent industry in comparison to the conventional financial industry. Although it is making global significance in manners of influence on the global economy, however, there are not many Islamic banks as compared to the conventional banks, which makes the commercial presence of these banks limited to certain locations and certain community. To increase the sample size of the key interview respondents will require the study to interview in far locations such as Malaysia, which will exhaust the time and budget of this study beyond its pragmatic scope. Therefore, this study retained its key interview respondents from within UAE for the feasibility of access and time resource management keeping the minimum scale to 17 key interview respondents. The sample size of 17 interview respondents has successfully helped this study to achieve the theoretical saturation where after no new theoretical insights were being produced and mostly was repetitive.

3.5.3. Interviewees: Executive and Senior Managers

The interview respondents for this research were from the executive and senior management. The rational behind this was to give more validity and reliability to the extant research. This is because executive and senior management tends to represent their organisation that affects the quality of interview data (Welch et al., 2002). The position and background characteristic of interviewees are important for an interview dynamic, as a higher status company informants are viewed as more reliable and give the data more validity and power (Macdonald & Hellgren, 1998; as cited in Welch et al., 2002). Apart from the reliability and validity part, interviewing top management also gives value in understanding organisational commitments and goals. Leadership have significant impact on organisational commitment (Lok and Crawford, 2004).

It is the top management that sets the tone for strategic vision and and so it makes it more important to interview executive and senior management to understand cross selling in regards to organizational commitments and future goals. This study has therefore in total 7 interview respondents from executive management and 10 from senior management (please see Exhibit 11).

Exhibit 11: Interview Respondent Designation and Bank Tier Category
(Source: Exhibit developed by author on Nvivo)

Name	Bank	Designation	Tier Category
Respondent 01	Q Bank N	Q Head of Product	Q 3
Respondent 02	Q Bank D	Q Assistant Vice President	Q 1
Respondent 03	Q Bank E	Q Head of Product	Q 2
Respondent 04	Q Bank D	Q Head of Portfolio and Risk Management	Q 1
Respondent 05	Q Bank M	Q Vice President	Q 3
Respondent 06	Q Bank A	Q Global Head of Treasury	Q 1
Respondent 07	Q Bank A	Q Executive Vice President and Global Head o...	Q 1
Respondent 08	Q Bank H	Q Vice President	Q 2
Respondent 09	Q Bank H	Q Senior Vice President	Q 2
Respondent 10	Q Bank H	Q Senior Manager Treasury Sales	Q 2
Respondent 11	Q Bank A	Q Head of Trade and Global Transaction	Q 1
Respondent 12	Q Bank S	Q Senior Product Manager	Q 3
Respondent 13	Q Bank F	Q Executive Director	Q 2
Respondent 14	Q Bank F	Q Head of Islamic Products	Q 2
Respondent 15	Q Bank C	Q Senior Manager Islamic Sales	Q 3
Respondent 16	Q Bank A	Q Global Head Retail Banking	Q 1
Respondent 17	Q Bank A	Q Director Cash Management Product	Q 1

3.5.4. Quoting and Referencing Interview Respondents

Thematic content analysis of this study is based on the semi-structured interviews from 17 respondents consisting of executive and senior managers from IFSI. Each respondent will be quoted in this chapter with their acronyms, respondent number, and their respective tier number. The acronym of an executive manager is referenced with “EM”, followed by their respondent number i.e. “05”, followed by their tier category i.e. “T3” (EM+05+T3= EM05T3). The same will apply to senior manager i.e. “SM01T3” (see Exhibit 12). The respondent number is the interview number in series of their respective interview sequence, and the tier number denotes the bank’s ranking in terms of their assets holding, where 1 is the highest and 3 is the lowest.

Exhibit 12: Referencing for Interview Respondents
(Source: Exhibit developed by Author)

Interview Respondent Referencing					
Management Level	Acronym	Respondent No.	No. of Respondents	Tier Category	Reference
Executive Management	EM	05, 06, 07, 08, 13, 16, 17	7	T1×4, T2×2, T3×1, Total = 7	EM05T3, EM06T1, EM07T1, EM08T2, EM13T2, EM16T1, EM17T1
Senior Management	SM	01, 02, 03, 04, 09, 10, 11, 12, 14, 15	10	T1×3, T2×4, T3×3, Total = 10	SM01T3, SM02T1, SM03T2, SM04T1, SM09T2, SM10T2, SM11T1, SM12T3, SM14T2, SM15T3

3.5.5. Data Analysis

Keeping in view of the research philosophy of this study and the research approach and strategy, it goes without saying that this study will employ qualitative research analysis as its analytical method. According to Saunders et al. (2011) the basic distinction between these two analysis is that quantitative analysis is conducted through the use of diagrams and statistics, whereas, qualitative analysis is conducted through the use of conceptualization. Data analysis can be understood as the process and technique of transforming raw data into useful and easy information that can be concluded.

For the analytical method this study will employ thematic analysis. This is because thematic analysis is a method by which selected items of a qualitative data set are systematically identified, analyzed, organized, described, and reported as themes (Braun and Clarke, 2006). Thematic analysis is a qualitative research method that can be widely used across a range of epistemologies and research questions (Nowell et al., 2017). Thematic analysis is very flexible in approach and can adapt to complex qualitative data needs accordingly and yet remain simple in churning out complex themes (Braun and Clarke, 2006). Nowell et al. (2017) argues that thematic analysis is

a useful method for examining the perspectives of different research participants, highlighting similarities and differences, and generating unanticipated insights. Thematic analysis is also useful for summarizing key features of a large data set, as it forces the researcher to take a well-structured approach to handling data, helping to produce a clear and organized final report (King, 2004; as cited in Nowell et al., 2017).

However, thematic analysis lacks definitive instruction guidelines for data analysis and there are differences of opinion amongst scholars as to what really constitute a definitive approach to thematic analysis (Amjad, 2014; Boyatzis, 1998; Braun and Clarke, 2006). But this also works to its advantage, as Braun and Clarke (2006) argues, that it provides for theoretical freedom as so makes it flexible to apply across a range of theoretical and epistemological approaches. However, Attride-Stirling (2001), Boyatzis (1998), and Braun and Clarke (2006), have tried to make demarcation of thematic application by introducing stages and phases of doing thematic analysis.

These stages vary and differ in approach to the qualitative data in regards to chronology of identifying, labeling, coding and constructing of themes. Amjad (2014) compared the recommended stages, steps, and phases for thematic analysis for different scholars in how they see thematic analysis process and different phases. Boyatzis (1998) considered research design and sampling as a separate phase, whereas Attride-Stirling (2001) and Braun and Clarke (2006) favoured dealing with data as the starting point in analysis process (Amjad, 2014). The table below taken from Amjad (2014) presents the diversity in opinions about phases in thematic data analysis:

Exhibit 13: Diversity in the Recommended Phases of Thematic Analysis
[Source: (Amjad, 2014)]

Author (s)	Stages/ Steps/ Phases recommended for thematic analysis
Boyatzis (1998)	Stage I – Deciding on sampling and design issues Stage II – Developing themes and a code Stage III – Validating and using the code
Attride-Stirling (2001)	Step 1. Code Material Step 2. Identify Themes Step 3. Construct Thematic Networks Step 4. Describe and Explore Thematic Networks Step 5. Summarize Thematic Networks Step 6. Interpret Patterns
Braun and Clarke (2006)	Phase I - Familiarizing yourself with your data Phase II - Generating initial codes Phase III - Searching for themes Phase IV - Reviewing themes Phase V - Defining and naming themes Phase VI - Producing the report

This study has employed the recommended steps suggested by Braun and Clarke (2006) for the step by step approach to thematic analysis. This is primarily because Braun and Clarke (2006) provides for more well defined steps with more flexibility that are applicable across a range of qualitative studies. Also it considers for potential pitfalls in conducting thematic analysis and is more vivid in allowing for solutions and remedies to rectify the disadvantages arising from it. However, this study also employs thematic networks as prescribed by Attride-Stirling (2001) for breaking down of themes into categories and sub categories. “Thematic networks systematize the extraction of: (i) lowest-order premises evident in the text (Basic Themes); (ii) categories of basic themes grouped together to summarize more abstract principles (Organizing Themes); and (iii) super-ordinate themes encapsulating the principal metaphors in the text as a whole (Global Themes).” (Attride-Stirling, 2001, p. 388)

Exhibit 14: Examples of Developing Codes and Themes From Interviews
(Source: Exhibit developed by Author)

Respondent Quotes	Emerging Themes	Initial Codes (Basic Themes)	Collated Codes (Organising Themes)	Global Themes
"One of the biggest mitigant to attrition is cross sell" (SM01T3)	Cross Selling mitigates customer attrition	High Retention & Loyalty	Internal Factors That Motivates IFSI to CS	Reasons For CS in IFSI
"It is nothing but maximizing the profit and trapping the customer, it is a retention policy basically for the bank" (EM08T2)	Cross Selling helps retain customers			
"it costs you almost one-third of selling another product to your existing customer" (SM01T3)	Customer retention better than aquisition	Low Acquisition Cost		
"selling to an existing customer incurs lower cost higher profitability higher engagement and that means higher loyalty" (SM03T2)	Cross Selling reduces acquisition cost			
"We are doing basic data mining. Like for example you take excel sheet of all your customers, you sort all of them by who is the highest balance" (EM07T1)	IFSI use Excel for data mining	Data Mining Practice is Negligible for CS	Customer Propensity for Identifying CS Targets	CS Practice in IFSI
"So as far as the IT software is concerned definitely we don't have any sophisticated one but the basic analysis of the data is being done." (EM08T2)	IFSI does not have sophisticated IT for data mining			

All the interviews were dully audio recorded and transcribed to an appropriate level of detail and then checked against the recording for accuracy. Incoherent verbatim [e.g., coughs] was not included. Transcripts should be accurate and retain the information needed from the verbal account, and in a way which is true to its original nature including the punctuations as it can alter the meaning of the data (Braun and Clarke, 2006). The interview transcriptions were read thoroughly with details to familiarise with data and for identifying possible emerging codes. After having familiarized with the data, each data item was initially coded inductively in a systematic fashion across the entire data set and then collated in relevance to each code. Codes can be identified as “the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon” (Boyatzis, 1998: p.63; as cited in Braun and Clarke, 2006)

Coding was done using the qualitative research software Nvivo 11 for Mac. All interview transcriptions were imported into Nvivo and coded using the software. The use of qualitative research softwares like Nvivo “can increase the rigor of a qualitative study especially those with large data sets” (Leech and Onwuegbuzie, 2011, p. 70). All the relevant codes were then collated into potential themes, and the emerging themes were then checked against each other for coherence, consistency, and distinctiveness (please see Exhibit 14, p.81). In this phase of thematic analysis the focus is on the broader level of themes “rather than codes, involves sorting the different codes into potential themes, and collating all the relevant coded data extracts within the identified themes” (Braun and Clarke, 2006, p. 19). The potential themes were then further refined and collated into clusters of basic themes, organizing themes and global themes generating a thematic framework of analysis. This happens when a set of candidate themes becomes evident of their contribution to give meaning to the overall analysis while the other themes are either merged or deleted for the similarity or lack of it (Braun and Clarke, 2006)

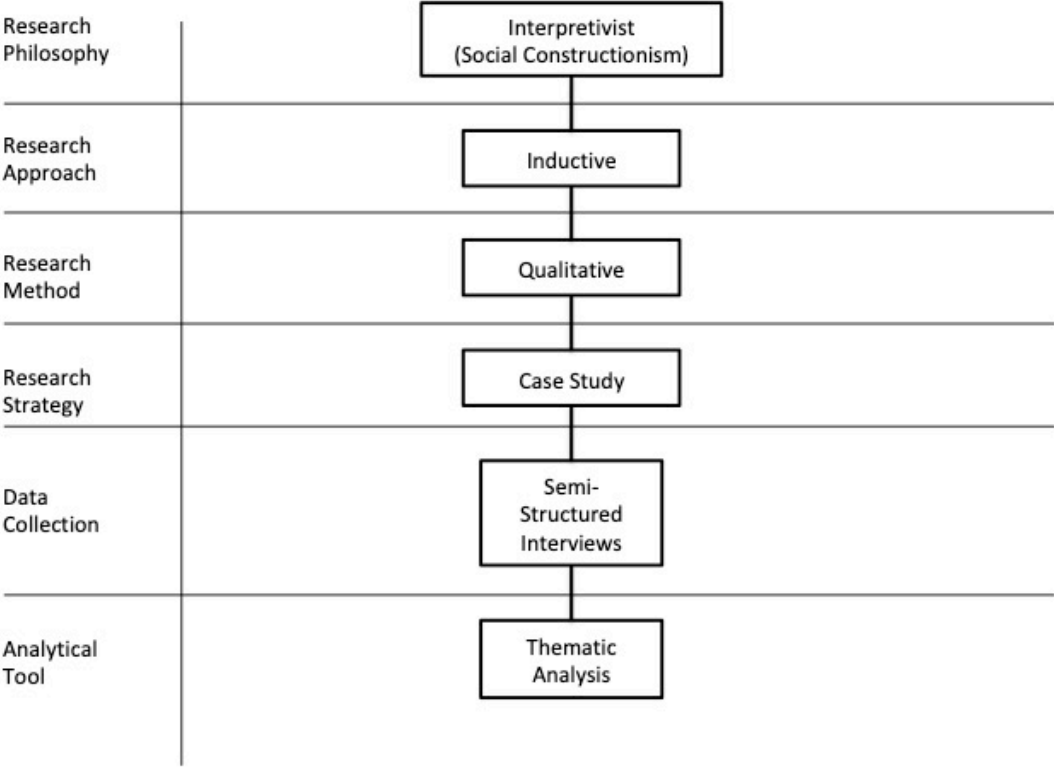
The final themes were divided into three sections. The first section of themes was clustered in accordance to the first research objective of this study, which was to identify why IFSI does cross selling. All the themes that were answering to the research objective one were collated into this section. Similar procedure was conducted for section two and three in respect to the relevant research questions and objectives. The themes were further refined and labeled generating clear definitions and names for each themes. “Define and refine” means identifying the essence of what each theme is about and to determining what aspect of the data each theme captures (Braun and Clarke, 2006). The final emerging themes were then interpreted keeping in view of the research objectives and interview questions to reach analytical coherence and illustrative quotations were provided to substantiate the analytical claims. A report of findings was then produced that illustrates the final analysis and findings for the convenience of readers to understand the final outcome of this analysis.

3.5.6. Research Design Overview

The research design overview sums up and concludes the prescribed methodology for this research. The research paradigm and philosophy underpinning the methodology for this research is Interpretivist as opposed to positivist because the research is

subjective in nature as it involves social participants and their views in form of interviews and therefore is value-led and not value free as in the case with positivism. The research approach for this study is Inductive as it aims to building a theory (inductive) rather than testing a theory (deductive). The study aims to explore the nature of cross selling without any prior assumptions or hypothesis that can be subjected to empirical scrutiny for approval or disapproval of an existing theory on the subject.

Exhibit 15: Research Design Overview
(Source: Exhibit developed by Author)



This study employs qualitative method for this research as it mainly focuses on words rather than quantification in the collection and analysis of data. Qualitative research is mostly inductive and follows an interpretivist method in giving meaning to the research.

The research strategy for this study is case study method with triangulation via multiple respondents. This is because this research has looked into a specific context of cross selling within Islamic financial industry (case) and has collected data through

interviewing multiple respondents from various IFSIs. Finally the analytical tool employed in deciphering the interviews was done through thematic analysis method as it is most helpful in examining perspectives of different research participants and in generating views.

CHAPTER 4. FINDINGS OF RESEARCH

4.1. INTRODUCTION

This chapter presents the research findings based on the analysis of the interview data using illustrative respondent quotations for the emerging themes related to the exploration of cross selling in Islamic financial services industry (IFSI). It discusses the emerging themes and codes in relation to the research objectives of this study to guide the data analysis. There are three research objectives of this study and so this chapter is divided into three sections where each section is a thematic extract to provide coherence to its respective research objective.

The first section of this study presents the key findings around the purpose and reasons for which IFSI engages in cross selling. The first key finding discusses the overall attitude towards cross selling in IFSI. It highlights the positive conceptual outlook to the importance associated to cross selling in IFSI. The second is the high cross selling cognisance in IFSI in terms of professional understanding of cross selling in IFSI. The third and fourth key findings discuss the external and internal factors that induced and motivates cross selling efforts in IFSI.

The second section of this study presents the key findings on how IFSI practices cross selling and the initiatives it has taken for the purpose of cross selling. The first key findings in this section discusses the methods and tools employed by IFSI to identify customer propensity for cross selling targets, which is still a challenge. The second finding discusses not so advanced customer segmentation that is still lagging behind for the purpose of cross selling in IFSI. The third and fourth finding discusses the IFSI initiatives for cross selling efforts and the medium through which cross selling is done in the IFSI.

The third and final section of this study presents key findings on the differences of cross selling between IFSI and conventional banks. The first key finding in this section reveals conventional banks to be far ahead and better in cross selling than IFSI. The second finding discusses the unique challenges IFSI is facing in cross selling, which is mostly inherent of its ideology and structure design that limits cross selling efforts. The third finding of this section reveals that only tier 1 Islamic banks have been relatively more successful in achieving cross selling as compared to tier 2

and tier 3 Islamic banks. And lastly the fourth finding of this section reveals that cross selling objectives for both IFSI and conventional are the same and they both mostly share the same philosophy for cross selling across the two financial industries.

4.2 REASONS FOR IFSI ENGAGEMENT IN CROSS SELLING

Exhibit 16: Emerging Themes for Reasons why IFSI Engage in Cross Selling
(Source: Exhibit developed by author)

Global Theme	Organising Theme	Basic Theme
Reasons for IFSI Engagement in CS	Attitude towards CS in IFSI is dominantly positive	CS is a Culture
		CS is a Fee Generating Instrument
		CS is a Need and a Priority for Survival
		CS is a Strategy
		CS is a Team Work
		CS is Creating Shared Value (CSV)
		CS is a Tool for Exploitation
	IFSI Has High Cognisance towards CS	
	External Factors Induced CS in IFSI	Asset Growth Limitations
		Economic Crisis
		Market Sophistication
	Internal Factors Motivates CS in IFSI	Gaining Customer Knowledge
		High Retention & Loyalty, Less Attrition
		High Revenue
		Low Acquisition Cost
		Increasing Product Awareness
		Less Credit Risk

The first objective of this study was to explore the reasons for which IFSI engages in cross selling, which is identified here as a reference guide in giving contextual direction to the emerging themes in this section. This section identifies 4 key findings that substantiate the reasons and purpose for which IFSI engages in cross selling. The first is the attitude towards cross selling within IFSI that is dominantly positive; secondly, there is high cognisance towards cross selling that appreciates in professional regards the need and importance for cross selling; thirdly, there are geo-economic and other external factors that led to the realisation of cross selling importance in IFSI; and lastly, the inherent and intrinsic benefits of cross selling.

4.2.1 Attitude Towards Cross Selling in IFSI is Dominantly Positive

One of the four organising themes identified here is around the conceptual outlook towards cross selling in respect of attitude in how IFSI perceives cross selling. The overall dominant outlook towards cross selling is very positive and reflects the overall importance IFSI associates to cross selling in regards to its responsive expression as an attitude. This responsive expression for cross selling in regards to positive attitude has encouraged cross selling in IFSI. The positive attitude has provided for the correct mindset to acknowledge the importance for cross selling in IFSI. One of the exceptions within the theme can be identified as a negative attitude, however, it does not necessarily reflect to undermine the importance of cross selling but a means of misusing cross selling as an unethical tool for exploitation.

The attitudinal responsive expression of respondents to how they perceive cross selling can be categorised into 7 basic themes: cross selling is a culture (positive), cross selling is a fee generating instrument (positive), cross selling is a need and priority for survival (positive), cross selling is a strategy (positive), cross selling is a team work (positive), cross selling is an understanding of needs (positive), cross selling is a tool for exploitation (negative). These basic themes underline the attitude for reasons contributing to IFSI's participating in cross selling.

4.2.1.1 Cross Selling is a Culture

Cross selling can be seen as a culture in IFSI that drives performance gains and is constantly developing to build positive narrative around its importance. The Global Head of Treasury of a tier 1 Islamic bank argues that cross selling is a culture that enables and motivates organisation to indulge in cross selling activities. A senior

manager of a tier 2 Islamic bank also reiterates the same narrative and emphasises on the importance of having a strong culture for cross selling initiatives.

“I think it is a culture, cross sell initiative is a culture [...] There is no other difference whether a conventional bank cross sell or an Islamic banks cross sells, the only difference is the mindset, the culture within the organization and the mindset.” (EM06T1)

The senior manager of another tier 2 Islamic bank associates cross selling behaviour with organisational culture initiative where cross selling becomes a by-product of an organisational function. Cross selling is perceived as an organisational culture that enables and promotes the philosophy for cross selling to the extent that it actualises by default:

"It's about an organization's culture so some organizations are ready to such an extent that cross-sell happens by default in the sense that the people in other departments want to cross-sell the people who are owning the relationship they will force the guys, they will force them to come and cross sell." (SM10T2)

The attitude of perceiving cross selling as a culture for organisation strongly suggests a positive outlook to cross selling. To view cross selling on the top hierarchy of organisational design signifies the importance IFSI gives to cross selling. This to a large extent substantiates one of the many reasons for IFSI engaging in cross selling.

4.2.1.2 Cross Selling is a Fee Generating Instrument

The realisation of making revenue through cross selling fee-based services along with other capital financing services is quite apparent in IFSI and can be seen as a new finance instrument for generating non-financing income. IFSI has lately realised that cross selling is one of the very few instruments that can help it survive the neck-break competition through providing added layer of commission based income. The attitude of IFSI to cross selling has become that of priority and need in regards to fee generating instrument.

"Yes absolutely, fee generation is really one of our top priority and fee generation really can come only from cross selling." (EM06T1)

"I think there is an organization consciousness that we need to cross sell, the importance of cross sell, what the cross sell deliver to the bank, less utilisation of capital, fee commission based income, and I think the realisation is there in the bank." (EM06T1)

The attention to cross selling as an instrument to diversify capital risk was much greater in IFSI after the 2008 financial crisis, which made IFSI realise the importance for new sources of income generation. The attitude towards cross selling before the 2008 financial crisis was not the same as after the crisis.

"If the asset growth is going to be limited you need to figure out ways to earn more, and earn more from the same costumer increase your wallet size, increase your fee, whether from the same costumer or new costumer non financing based income has to grow because when the markets close down a little this is where you look at because you don't want to do those big ticket financing transaction. You want to do value added transactions and that is it when the realisation kicks in [...] I think the realisation of fee based income before 2008 I think everything was just booming so the cross sell was there it was not a conscious effort" (EM06T1)

The above excerpt quite evidently indicates the perceived importance of cross selling within the IFSI as a positive instrument to revenue generation and growth.

4.2.1.3. Cross Selling is a Need and a Priority for Survival

Cross selling in IFSI is viewed as the most fundamental function for business survival. This indicates to a very positive attitude and reiterates the perceived importance of cross selling in the IFSI and strongly indicates to the reasons for cross selling adoption within the IFSI.

"So cross-selling now is not an option anymore. Like previously people look at it as an option that people to increase the revenue but right now it's a survival" (EM07T1)

"Cross selling, it's a very critical line of business, and it's not only relevant to Islamic banking, it is across all business lines be it Islamic, conventional, be it banking or otherwise. (SM02T1)"

“Yes absolutely, fee generation is really one of our top priority and fee generation really can come only from cross selling. (EM06T1)”

This attitude however has come of late in the IFSI in comparison to the conventional financial industry but seems to be catching up quickly in response to the everyday changing market needs, sophistication, and competition. Cross selling in IFSI is a very recent and new phenomenon within the GCC region, and a concept that is yet to fully developed:

“It is completely a new phenomenon for as far as Bank H is concerned. I think few banks only you have confined in the region and UAE and GCC. When they have already has started four, five years back but for Bank H I think it was started two, two and a half years back.” (EM08T2)

4.2.1.4. Cross Selling is a Strategy

IFSI is adopting cross selling as a game changing strategy for the internal growth of the industry. The growing perception of cross selling as an organisation strategy and a game changer well insists to the growing importance of cross selling within IFSI. The perception of cross selling as a strategy is a positive expression of attitude towards cross selling and a contributing factor in IFSI for adopting it.

“So it's part of our strategy as well as part of our ... yeah so within the strategy we have game changers, every year we have about five and six game changers that could change the look and feel of the business, and cross-sell and lifecycle management is always one of them” (SM02T1)

“Okay so it's a strategy that the bank or the institution that they are looking to the portfolio of the products they have, and some institutions may club some products together so to have kind of packaging. (SM11T1)”

4.2.1.5. Cross Selling is a Team Work

One of the emerging perceptions of cross selling within the IFSI is of a team activity where different departments and teams work together for a collaborative and collective effort to achieve optimum sales across all departments. The responsive expression towards cross selling is more of an intra-department activity where cross selling is not confined to department and category specific products but a collective cross selling effort across the entire firm irrespective of product category and

department. The essence is to cross sell the company as a whole rather than individual department products.

“I mean from the senior management perspective is very important for their team cross selling the firm, the culture at our firm is to encourage us to bring business for other departments even if it may not have a direct impact on us or our performance, so we’re encourage top-down to sell the firm and again as a big firm we have solutions across every aspect of the financial space” (SM15T3)

“As a firm we are structured in a way to ensure that cross-selling is you know at the centre of our attention on a daily basis. So, any RM [relationship manager] goes out he will offer everything to the client. So collaboration is the key word here.” (EM13T2)

4.2.1.6 Cross Selling is Creating Shared Values (CSV)

Cross selling is generally perceived as a means to attain competitive advantage where creating shared values for consumer benefits is not very popular. However, there is a unique emerging expression of shared values for understanding customer needs in the IFSI. This emerging expression can be viewed as a very positive attitude towards cross selling in perceiving it more from the ethical perspective paradigm of IFSI development.

“Cross sell is linked to the need of client, need of customers. [...] So I think the concept of cross-sell supersedes, and it's irrespective of whether you are operating in a Islamic framework or in a conventional framework.” (SM02T1)

“So the idea is how the bank listens to the customer, what is his problem? Because cross selling is not about campaign and corporate world, it’s about sitting with the customer, understand, 'so what's your issue?' ‘the issue is liquidity, no no! my issue is risk, I receive invoice, people sometimes don’t buy, or my issue is I want to pay quickly because payment takes two days I want to payment the same day.’ Listen to the issue because the minute you teach RMs, the relationship managers to listen to the customer, the manger they will start to find that cross sell opportunities.” (EM07T1)

4.2.1.7. Cross Selling is a Tool for Exploitation

The collective attitude in IFSI is very positive for cross selling when it comes to how it is perceived, however, a single responsive expression also suggests a negative perception to cross selling. The Vice President of a Tier 2 Islamic bank reveals the darker side of cross selling as a means to exploit customers and create unnecessary need for a customer to buy cross sell products. This makes the customer binding to purchase another cross selling product, which can be seen as unethical and not-Islamic.

“They have gone one step ahead and advice you should basically create a need for the company that if you are taking this service you are requiring this and this as well. [...] So if you put it as a policy in your credit analysis in that case you can tell to the company borrower or the Finance taker: “See according to our analysis you are not eligible to get any finance because you are not covered" [Unless until you take that you know this second policy with us.] Right! So unless and until we are insured now that's okay the hedging is properly done.” (EM08T2)

This excerpt carries a negative connotation to how cross selling is perceived within some of the IFSI. Cross selling has a potential to be seen as a negative tool for exploitation and can have negative future implications within the IFSI leading to low cross selling engagement. However, it does not necessarily reflect to undermine the importance of cross selling across the whole industry. Collectively by large the attitude towards cross selling in IFSI is positive and dominantly contributes to the reasons for it's engagement in cross selling practices.

4.2.2. IFSI Has High Cognisance Towards Cross Selling

The second emerging theme that identifies to the purpose of IFSI engaging in cross selling activities is the high cognisance towards cross selling. Cognisance is different to attitude in respect of professional understanding of cross selling and how it functions in a professional environment. This is different from perceived responsive expression that addresses to the attitude IFSI has towards cross selling. It is more tuned to observe the professional understanding of IFSI around cross selling. It focuses more on how much cognitive realisation does IFSI gives to cross selling and why? The high cognisance for cross selling enables for better organisational

philosophy in regards to cross selling and provides better disposition for future course of actions. There is high cognitive realisation in IFSI for cross selling benefits like customer retention, low acquisition cost, high revenue, and high wallet share. The following are some illustrative excerpts that gives a reasonably good picture of high cognitive realisation among IFSI respondents for cross selling benefits.

“One of the biggest mitigant to attrition is cross sell. In professional terminology, we like to call it PPC, Product Per Customer. The higher PPC a customer hold with the bank, the lesser likelihood of him losing the bank or leaving the bank. [...] On the revenue side, it costs you almost one-third of selling another product to your existing customer once it's getting a new customer on board. because the cost of acquisition is one-third, so it makes commercial sense, it makes business sense.” (SM01T3)

In the above excerpt the senior manager of a tier 3 Islamic bank demonstrates his understanding and knowledge of cross selling. The high cognisance for cross selling in IFSI demonstrates the acknowledgement and acceptability of cross selling importance. This also to an extent substantiates the reasons for IFSI engaging in cross selling. The excerpts below further substantiates to the above claim.

“It is just to simply maximize the profit. It is nothing but maximizing the profit and trapping the customer, it is a retention policy basically for the bank” (EM08T2)

“If you do only the plain vanilla product you will not go very far. The regulation is becoming more expensive, the costs are increasing there is enormous pressure from shareholders to increase the bottom-line with the same resource. So managing with the same resource in a difficult environment that is what every organization is about and secondly it is tricky to get a new customer because there is a lot of competition out there in the market. So the low hanging fruit is rather to get more out of your existing customers because we have already done the due diligence, we have already done the credit on the customer we know the customer better so extracting more out of the same customer making him feel that we are in a shop which offers every need. So from his perspective he doesn't need to go to four five suppliers.” (SM14T2)

4.2.3. External Factors Induced Cross Selling in IFSI

The third emerging theme gives rather more circumstantial reasons for the IFSI diverting its attention to cross selling and adapting to cross sell more fee based services than just capital financing. The changing geo-economic factors have induced IFSI to adopt and adapt cross selling initiatives to meet those changes. This research identified 3 external reasons, or circumstantial factors that contributed in inducing cross selling initiative within the IFSI. The first is the asset growth limitation, which made IFSI to realise opening new avenues to create revenue generation. The second is the 2008 economic crisis which made IFSI realise the potential exposure to capital risk and the need to diversify the risk. Third is the growing market sophistication that is changing the customer need paradigm with tightening competition to stay ahead in the market.

4.2.3.1 Asset Growth Limitations

The ever changing geo-economic and geo-political circumstances influences regulatory adjustments and changes to the economy, specially the finance industry. For instance credit bureaus in UAE have recently put a leverage cap on the total number of capital financing products a customers can take (SM12T3). This limits the asset growth through capital financing and increases the need to seek other non-financing avenues to grow assets. This brings focus on cross selling for added value generation for asset growth in IFSI. The Global Head of a tier 1 Islamic bank in UAE explains this:

“The margins are so thin in terms of financing unless and until you cross sell, you do not really need your return on equity redundancy. So if I am just giving financing I will not be able to meet my return on equity and rental and also capital has a shortage under the new regulation the capital requirements keeps going up and up and up. So when you do cross selling you know it is basically and usually fee income, which does not require any capital which keeps posting your return on equity. [...] if the asset growth is going to be limited you need to figure out ways to earn more [...] non financing based income has to grow because when the markets close down a little this is where you look at because you don't want to do those big ticket financing transaction you want to do value added transactions and that is it when the realisation kicks in.”
(EM06T1)

The Executive Vice President also from the same tier 1 Islamic bank explains similar reason for cross selling initiative in IFSI:

“So cross-selling now is not an option anymore. Like previously people look at it as an option that people to increase the revenue but right now it's a survival because now what happened is that the pricing of normal financing is coming down, and it's not good enough for the bank to justify the return on equity. The only way to enhance the return on equity because they cannot increase the price of financing is to add a layer of cross-selling on top of it.” (EM07T1)

4.2.3.2. Economic Crisis

The 2008 economic crisis is the real turning point for IFSI to look for cross selling as a major strategic change to diversify capital risk exposure. Before the 2008 economic crisis, cross selling was not a priority but the changing dynamics of the geo-political circumstances made IFSI realise the importance even more.

“So I think because of the slowdown after 2008 people have shifted the mindset, people have realized that they need to be doing lot of other things than just financing or deposits [...] I think the realisation of fee based income before 2008 I think everything was just booming so the cross sell was there it was not a conscious effort, I think even the conventional bank the realisation kicked in 2008 may be Islamic bank kicked in 2011/2012 that when they realize that they have to do a lot more with the costumers.” (EM06T1)

“People have recognized that you can make a lot of money in cross sell and cross sell is the way to go in the last 10 years because people before used to make a lot of money which is just giving loans but now obviously as I told you market pressure low rates, ...xyz, you need to make money from other areas.” (SM10T2)

4.2.3.3. Market Sophistication

The ever changing advancements in banking industry has brought myriad of banking choices for the customer, which has increased competition amongst the banking industry in how well they satisfy their customers. Market sophistication has made the IFSI realise the importance of cross selling in providing competitive advantage to the business.

“As soon as you become sophisticated the market spread goes down and you need to add on to supplement that kind of increase, and then that brings in the management change, the culture change and then start selling and then you put efforts on building those products and making sure those product are aligned and serves the customer.” (EM06T1)

In specific context to the UAE market, IFSI in its early inception was more focused in building new customer relationships and was not inclined to cross selling to its existing customers. However, the advancements and development in the UAE economy brought market sophistication and so the need to cross selling for gaining competitive advantage

“Because it was a new market so everyone was focusing on 'New To Bank' but now since it's being a developed economy or developed country then now everyone focusing on cross selling.” (SM12T3)

4.2.4. Internal Factors Motivates Cross Selling in IFSI

The fourth emerging theme is more about the inherent benefits that cross selling bring to an organisation. The intrinsic qualities of cross selling provides for tangible benefits that motivates organisations to cross sell. This research identified 6 internal factors, or the intrinsic benefits that motivate IFSI to engage in cross selling practices. First, cross selling helps in gaining customer knowledge; second, cross selling increases customer retention and loyalty; third, cross selling increases revenue; forth, cross selling reduces acquisition cost; fifth, cross selling increases product awareness; and sixth, cross selling reduces credit risk

4.2.4.1 Cross Selling Helps Gain Customer Knowledge

One of the many benefits of cross selling is that it helps in identifying consumer behaviour for organisations to develop a picture of customer consumption patterns for future sales strategies. It helps organisations to build propensity and predictive models for future customer consumptions, or even identify opportunity gaps that have not been exploited before. IFSI completely appreciates this advantage of cross selling and how important it can be for the future of IFSI.

A senior manager from a tire 2 bank further elaborates this in identifying inside corporate news through cross selling efforts for identifying business opportunities:

“By doing more cross selling that we would know that there's a certain behaviour here that would affect a behaviour over there. [...] one of the examples of this is that when we do cross selling, where we sell also the retail products for example, and we see that some of the retail customers from the same corporate entities, because we sell to the corporate entities, and we sell also to the retail employees as part of the cross selling. So if we notice that there's a certain level of behaviour of non-performing on the retail side or the retail side do not get the salary then we know that as something it can be wrong from the corporate perspective. [...] there is an avenue for us to make more money, and as well as for us to have a better understanding of the signals that we can expect from the customer. . (SM09T2)

Similarly, the executive manger of a tier 1 bank underlines the importance of customer knowledge in giving competitive advantage to the bank. Investing into relationship efforts through cross selling means not only cements your relationship but provides future opportunities in understanding customer needs better.

“Now the product are the same whichever bank you go to you intend to offer the same thing, you get cards, you can get loans, you get trade facility, cash management facilities, but what differentiate is that costumer experience, it is building that relationship with the costumer the more information you have from that costumer the more you know your costumer. So it is about investing in that because that is what differentiate your service while them being your costumers.” (EM17T1)

4.2.4.2. Cross Selling Increases Retention & Loyalty

One of the most valued benefits of cross selling is the customer retention and customer loyalty that secures the future share wallet of the customer. Customer retention can be identified as one of the single major reasons for most Islamic banks to engage in cross selling as it locks in the customer with multiple products to create a web like affect where customer attrition becomes very difficult if not impossible.

“One of the biggest mitigant to attrition is cross sell. [...] The higher PPC [Product Per Customer] a customer hold with the bank, the lesser likelihood of him losing the bank or leaving the bank.” (SM01T3)

“when we are selling a bundled product to them the other thing is that the stickiness is much more they stay with us much more if it is a cross sell product [...]and that means higher loyalty so our organization promotes this practice a lot because we know that a customer will stay with us for far longer if he's engaged and if he's only banking with us so I think it's a very important practice” (SM03T2)

4.2.4.3. Cross Selling Increases Revenue

Cross selling to existing customers generates high revenue since it lowers the acquisition cost for finding new customers and increases customer retention. This allows banks to benefit from increasing product per customer (PPC), which secures the future share wallet and future market share of the banks. This allows for a lot of cost cutting without incurring losses to the banks as acquiring new customers can be very costly. This saves a lot of cost to the banks and increases the revenue per person. This accounts for one of the basic reasons for IFSI engaging in cross selling activities as clearly stated by the executive and senior managers of two tier 2 Islamic banks.

“So that is what I've seen in other banks that I've worked with that the stickiness is much more, the loss rates are much lesser, the spreads even, from financial...positive, financials the cost is lower, the revenue is higher, the stickiness is higher, so we are increasingly moving towards cross sell products” (SM03T2)

“It is just to simply maximize the profit. It is nothing but maximizing the profit and trapping the customer, it is a retention policy basically for the bank” (EM08T2)

4.2.4.4. Cross Selling Reduces Acquisition Cost

Low acquisition cost is closely related to increase in revenue as explained above (4.2.4.3. High Revenue). Cross selling reduces the need for the banks to look for new customers, which incurs additional marketing and administrative costs. Cross selling to existing customers offsets the additional costs in acquiring new customers. This is one of the very basic reasons for banks to practice cross selling and IFSI is no exception.

“On the revenue side, it costs you almost one-third of selling another product to your existing customer once it's getting a new customer on board. because

the cost of acquisition is one-third, so it makes commercial sense, it makes business sense.” (SM01T3)

“We are moving increasingly towards bundled packages and bundled products it gives us quite a few advantages one is the cost is low because we're reaching out to our own customers we don't have to go out and bring new customers when we are selling a bundled product to them the other thing is that the stickiness is much more they stay with us much more if it is a cross sell product.” (SM03T2)

“Because it is cheaper at the end, all of us focus on the P&L so it's cheaper to focus on cross selling than 'New To Bank'. You have a team and you can control them.” (SM12T3)

4.2.4.5. Cross Selling Increases Product Awareness

Increasing product awareness for the customer through cross selling seems not to be a very consistent emerging theme, or a popular reason for IFSI to adopt cross selling activity. However, a significant marketing strategy that allows Islamic banks to promote their products. A senior manager of a tier 1 bank argues that cross selling can provide for financial needs of the customers as solutions that the customers were not aware of previously. Cross selling provides IFSI for the opportunity to marketing their products. Cross selling in IFSI therefore allows for increase in product awareness for the customers who can avail product services as per their requirements.

“Why is cross selling important because you might not know all the available solution which will make either your financial better in shape or even in the regular life you may not know that this product or this thing exists which may make your life easier or we will finance better or cash enhancement. So If I offer you this you will benefit that I give you something that you benefit out of it as well as for me I made my achievement and targets.” (SM11T1)

4.2.4.6. Cross Selling Reduces Credit Risk

Cross selling reduces credit risk is one of the benefits seen within the IFSI, and a good reason for Islamic banks to practice cross selling. Although it is not a very persisting theme that underlines cross selling as a deterrent to credit risk, but evidently IFSI admits this as a good reason to practice cross selling. Cross selling mostly happens with existing customers having credit history and so makes it less riskier for the banks

to cross sell credit based products rather than selling it to strangers with no previous credit history.

“There are credits that are being extended to the customers. Be in the form of mortgages, personal finances, sharia-compliant credit cards, auto finance and so on and so forth. Giving these products to existing customers which is your cross-sell is a lot safer from a credit risk standpoint because it's better to extend those lines to customers that you have history with, that you can actually see how they have performed for the last three months, six months, X number of periods. Then assigning those credit to a completely unknown person on the street.” (SM01T3)

4.3 CROSS SELLING EFFORTS IN IFSI

The second objective of this study was to explore how IFSI engages in cross selling practices. This objective is identified here as a reference guide in giving contextual direction to the emerging themes in this section. This section identifies 4 key findings around cross selling practices within the IFSI. These findings are prominent emerging themes (Organising Theme) around cross selling practices and efforts within the IFSI. The first theme discusses the propensity mechanism in identifying potential cross selling targets and how this mechanism is achieved. It discusses data mining and CRM capabilities within the IFSI and how well they are equipped in identifying customer propensity for cross selling initiatives.

The study finds that tools for identifying customer propensity for cross selling is still not fully achieved except for very few Islamic banks that are in Tier 1 category. The second emerging theme discusses customer segmentation for cross selling initiative. It looks into the practice of customer segmentation done within the IFSI for cross selling purposes and how efficiently IFSI practices customer segmentation. The study reveals that customer segmentation for cross selling purpose is very basic. The third and fourth theme discusses the overall efforts taken by IFSI for cross selling initiatives and the channels they employ to achieve cross selling.

Exhibit 17: Emerging Themes for how IFSI Engage in Cross Selling
 (Source: Exhibit developed by author)

Global Theme	Organising Theme	Basic Theme
CS Efforts in IFSI	Identifying CS targets is still a challenge in IFSI	IFSI Practices CRM and Data Mining For Customer Propensity
		CRM and Data Mining Practice is Negligible in IFSI
	Customer Segmentation for CS is Very Basic	IFSI Practice Customer Segmentation for Cross Selling Targets
		Customer Segmentation in IFSI for Cross Selling is Rudimentary
	IFSI is Taking Initiatives for CS Efforts	Adopting Conventional Terminology for Islamic Product
		Commercial and Third Party Partnership for CS Initiative
		Improving cross selling Ratio
		Incentives for CS Initiatives
		Intra-Department CS Initiative
		IFSI Investing in Innovation and Technology for CS Initiatives
		Monitoring & Benchmarking CS Performance
		NTB CS Initiative
		Switching to Relationship Marketing for CS Initiative
		Top Management CS Initiative
	CS Medium in IFSI	IT Digital Marketing
		Call Centres & IVRs
		Relationship Managers

4.3.1. Identifying Cross Selling Targets is Still a Challenge in IFSI

Identifying customer propensity for better understanding of customer's need rely heavily on statistical modelling of customer's day-to-day banking behaviour and the data extracted from result of this behaviour. This data is systematically processed through automated statistical computing forming a part of the CRM system. This suggests advance combination and patterns of product purchase, time and type. This underlines the overall importance of how effective and efficient is IFSI in gathering and processing all this information for effective and efficient cross selling. This section identified 2 basic emerging themes to suggest that data mining and CRM capabilities have still not been completely achieved, and identifying cross selling targets is still a challenge in IFSI. Although there is a lot that have been achieved so far in terms of technology upgrade but a long journey still remains ahead.

4.3.1.1. IFSI Practices CRM and Data Mining For Customer Propensity

The emerging theme in this section substantiates the claim for customer propensity modelling through CRM and data mining practices within the IFSI. However, it does not provide scale of performance for the actual CRM and data mining mechanism and relies solely on the respondent accounts. There is consistent reference to the CRM and data mining practices in IFSI for identifying customer propensity.

“We have structures within the organization who are using data mining. Extract customer behaviour, customer preferences, customer profile and then we also use something called propensity modelling, the likelihood of any customer taking a new product. [...] We within the bank specifically we have our entire separate structure we call it BIU, Business Intelligence Unit, whose core job is to move data to information for the businesses to take necessary actions, which is cross sell, upsell, upgrades, line increases and so on and so forth.” (SM01T3)

“So to answer your question, there is a very robust system that we have in place. We have a CRM system that takes care of this activity. [...] We look at the customer profile on our system and based on that our system runs a propensity [...] Based on that, certain products are pushed in which are called pre-approved products. So this is how we then reach out to clients through electronic means as well as direct sales and telesales.” (SM02T1)

“Data mining is done by CRM so it's a factory sort of a set of we put the data we've mined the data we send the eligible data to the team and then they churn out the leads and identify the prospects.” (SM03T2)

“They can see the next best product we think is based on our data analytics, and customer behaviour that we think is best to offer this customer. And that's a cross-sell. And if the customer is interested, we pursue it that way [...] I mean data analytics is very important. That drives your marketing campaigns and that also drives your prompts. (EM16T1)

There is substantial claims to practicing business intelligence models that do data mining in IFSI for cross selling purposes, however, the efficiency of these models and data mining mechanism is unknown.

4.3.1.2. CRM and Data Mining Practice is Negligible in IFSI

To the contrary of having a robust mechanism for CRM and data mining capabilities as previously mentioned above, there are many Islamic banks including tier 1 banks that claim to be the opposite. When asked regarding the data mining capabilities in IFSI, the respondents, Executive managers of both tier 1 and tier 2 banks, denied having any such advance technology to support the claims. However, it was observed that IFSI is well set to achieve those capabilities in near future. The Vice President of a tier 2 bank claims that it is a new trend in the IFSI and is not completely implemented and data mining is mostly done on a very basic level

“Frankly speaking on technical side from IT point of view definitely we don't have anything. It is a very new trend in Bank H. As I said the policy was made just to two years, two and a half years back, so it is not completely implemented so far.” (EM08T2)

“It has started now. Two, three months back I started to review their policy, how they will work. So it is a good start at segmentation level but up to now it is not in full swing you can say. They have not yet started properly analyzing all the data we have. They are still collecting the data, they have not gone to that phase where you start analyzing the data and make the products and services. [...] So as far as the IT software is concerned definitely we don't

have any sophisticated one but the basic analysis of the data is being done.
(EM08T2)

Global Head of retail banking of a tier 1 bank also denied similar claims of having proper CRM and data mining sophistication. However, he made a single reference to one such Islamic bank (Bank D, a tier 1 bank) that is believed to be quite well equipped with CRM and data mining technology. Apart from that all other Islamic banks do not share in the same capabilities for cross selling initiative.

I won't say all banks, No! I will say in this region some of the Islamic bank are probably lagging behind the conventional bank, actually (Bank D) is actually very good and has quite advance capabilities [...] This particular bank we are a fairly new bank and because we are a new bank we are actually lagging in the technology game, because we are new in terms of around 20 years compared to other banks which have been here much longer and they have advanced their capabilities where as we have not, so I think it varies.
(EM17T1)

When again probed if IFSI has achieved CRM and data mining technology for cross selling, the Global Head for Retail Banking replied in negative as saying

"No probably not, I will say probably not I will say they will be striving to get there. [...] Right now we don't have this, right now this is what we are implying CRM, right now everybody have their own deals in pipeline [...]. [Interviewer: So it will be fair for me to say there are somewhere half way through like there is still a lot of way to go?] I will say so yes" (EM17T1)

A Senior Manager of a tier 2 bank admits that IFSI still lacks specialised IT tools for the purpose of data mining.

"In terms of a specialized software for cross selling not at this stage but we have this mechanism where we use CRM SAS and other analytical models that we have to churn out data." (SM03T2)

Global Head of a tier 1 Islamic bank even claimed that customer propensity modelling for cross sell initiative is done on excel sheet level and there is not proper scientific data mining in IFSI

“We are doing basic data mining. Like for example you take excel sheet of all your customers, you sort all of them by who is the highest balance and then go to them and sell payment to all of them because if it has high balance you must be need to pay [INAUDIBLE 12:13]. Simple excel sheet techniques. Did we do scientific data mining? No, I don't think none of the banks did it on the corporate side till now.” (EM07T1)

An excerpt from an interview of a Senior Manager of a tier 2 Islamic bank makes this even further clear when he complains of calls being made to him from other Islamic banks offering their products without analysing his needs. Also he is an existing bank employee of another competitive Islamic bank. This demonstrates no customer propensity intelligence was taken out to properly analyse the customer and his needs before attempting an unsolicited cross selling, which will ultimately turn futile.

“The only thing which I get is that they look at my credit card because I have credit cards with some Islamic banks. They always call me for cash advance and the second problem I have is when they call me for the cash advance, I tell them I don't need. They call me again next week which annoys me. So they keep chasing me for something which I don't need so based on that I can deduce that they do not have a good data mining.” (SM14T2)

This reinstates the fact that identifying customer propensities for cross selling by means of CRM and data mining in IFSI is still not completely achieved and is still a challenge. The practice of identifying customer propensity for cross selling targets is on a very rudimentary level that involves very basic IT tools or even just Excel sheets for the job.

4.3.2. Customer Segmentation for Cross Selling is Very Basic

Customer segmentation is basically categorising and placing customers into a specific group of segments depending upon their savings, revenue, and financial activities. Customer segmentation is data driven and is mostly used in identifying patterns for customer propensity. This helps in pushing certain products to these customers

depending upon the type of segment they are associated to. For i.e. a high net worth segment is always appropriate for offering sukuk investments, which generally involves investments that are above millions of US dollars. Effective Customer segmentation is very important for successful and effective cross selling efforts. This section identifies 2 emerging basic themes to suggest that although IFSI practices customer segmentation for cross selling purposes but it is on a very basic level with exception to very few Islamic banks. The first basic theme confirms the practice of customer segmentation for cross selling, and the second theme elaborates on the standards of segmentation for cross selling purposes.

4.3.2.1. IFSI Practice Customer Segmentation for Cross Selling Targets

General customer segmentation for purposes other than cross selling is practiced in all financial industries irrespective of Islamic or conventional, however, segmenting the customers specifically for cross selling purposes is still considered a new trend in the IFSI. This section confirms customer segmentation practice in IFSI for cross selling initiatives, however, it is a recent strategy adopted by the IFSI and still not completely achieved. Senior managers of two tier 1 Islamic banks confirms adopting customer segmentation as a full strategy for cross selling purposes

“This is the strategy of any cross selling you get the full strategy it is one of the pillars you have to have a proper segmentation, you have to have a proper assessment, you have to have a proper risk appetite, you have to have a proper knowledge about your tools as an institution. What kind of products you have? What does the automation of the products ... so you can exactly know if I'm going to get into the market I'm going to really take a part or should I even go ahead, that makes sense?” (SM11T1)

“It all boils down to the segmentation strategy that we have, and that segmentation strategy is function of the income of an individual. So we currently have four segments I would say [So Insha'Allah, you are achieving your cross selling targets, if I can say that?] Yes we are! In certain segments, we are ahead, in certain segments, we are behind. So on an average, we are doing pretty well, but we always aspire to do more. (SM02T1)

The Global Head of treasury of a tier 1 bank also confirms the practice of customer segmentation in corporate and business banking:

“Full profiling of the costumer is done and based on that is put into a segment, between the priority bank also there is segment then based on that what is good for him to buy and what is not good for him to buy, what should be his key areas, then there are wealth managements involved depending upon where you are in that categorisation [...]” (EM06T1)

There is an insisting amount of respondent confirmation that convinces the practice of customer segmentation for cross selling purposes in IFSI. However, there are even certain Islamic banks that do not practice customer segmentation at all for the purpose of cross selling. The Executive Director of a tier 2 Islamic bank completely denied doing customer segmentation for the purpose of cross selling and argued that all customers are potentials for cross selling and therefore should be attempted to cross selling irrespective of segmentation.

“No! Because we only ... every client is a client who is a potential to cross-sell to. Client today who is in the middle market is actually the client who is going to be our large corporate in three four five years time, so we don't define them by cross sell. Every client is an opportunity to us, right! and if he's not getting ... would not cross selling to him now, we know that when he grows in the future he will be able to cross sell as his business bigger something of that sort.” (EM13T2)

The majority respondents confirm customer segmentation for cross selling in IFSI except for a very small minority. Overall the trend is practiced in the IFSI. However, it is still not very clear how IFSI effectively achieves customer segmentation for cross selling purposes. It is still not clear to what effect IT enabled automation has been achieved for customer segmentation, or how much of data mining and CRM capabilities contributes to customer segmentation for cross selling purposes. There is no empirical data to suggest the scale of cross selling performance achieved through customer segmentation.

4.3.2.2. Customer Segmentation in IFSI for Cross Selling is Rudimentary

The practice of customer segmentation for cross selling purpose in IFSI has since been established, as mentioned above (4.3.2.1. IFSI Practice Customer Segmentation for Cross Selling Targets). However, as previously stated above, the scale of performance for customer segmentation in IFSI is unknown. There are few respondent excerpts that gives fair amount of information regarding the efficiency of customer segmentation practice in IFSI, if not all. The Executive Vice President of a tier 1 Islamic bank when asked about the segmentation for cross selling in IFSI responded in confirmation to the practice. However, he asserted that it was on a very basic level and that no advance data mining sciences were applied in extracting the data for segmenting customers for cross selling purposes. He argued that it is only reasonable to introduce such technology when there is enough products for the customers to offer as cross selling.

“Yeah. We have a general segmentation, which is SME, commercial, and corporate, depending on size. Then you have FIS financial institution, different four categories. Within this, are we mining the data for special offer? I don’t think we would reach this stage until you start to have products first. So this would be like mid next year. At this point, you can start to do this. There's a lot of banks that are thinking of this but there is no serious action in the Middle East yet.” (EM07T1)

When further probed about the level of technology that is being used in segmenting the customers for cross selling purposes, the Executive Vice President for the same tier 1 bank admittedly confessed the use of basic Excel sheet for the job. He further argued that no Islamic bank or any IFSI is doing advance data mining sciences for customer segmentation purposes except for a single bank that is in the testing phase of the technology

“We are trying on an initial cut using Excel, not very advanced. [...] Deep analysis, we will start doing next year. [...] Retail they have different people doing it but even nobody did the big data. Big data has the sign, nobody did the full data, only ... (Bank F) started on the retail but just testing what is it, but no one did it in full.” (EM07T1)

The Vice President of a tier 2 bank admits to not have fully achieved customer segmentation for cross selling purposes and mostly relates it to the infancy stage of the IFSI:

“[But can I fairly say you have from 10 to 15 segments?] “Not that much, I think we have like 6 or 7. It has started now. Two, three months back I started to review their policy, how they will work. So it is a good start at segmentation level but up to now it is not in full swing you can say. They have not yet started properly analysing all the data we have. They are still collecting the data, they have not gone to that phase where you start analysing the data and make the products and services.” (EM08T2)

This fairly substantiate the point that although there are some claims to the overall practice of customer segmentation for cross selling purposes but there is no substantial claim to prove that it is well equipped and well achieved in driving effective cross selling gains. It is rather to the contrary that suggest customer segmentation practice in IFSI is on a very basic level that does not involve advance data mining sciences and advance IT enabled technology for the purpose of cross selling.

4.3.3. IFSI is Taking Initiatives for Cross Selling Efforts

This section discusses various emerging basic themes that collectively indicates to the initiatives that have been taken in the IFSI for cross selling purposes. These themes are separately discussed from data mining, CRM, and customer segmentation themes as they have been previously discussed above due to their primary significance in promoting cross selling efforts. The following emerging themes are equally vital for cross selling efforts but forms a secondary status because of not being a direct component of cross selling. The following themes consists more of organisational efforts and tasks performances for cross selling initiatives taken in IFSI. This section identifies 10 emerging basic themes that elaborates on these organisational efforts for cross selling initiatives. They are as follows:

4.3.3.1. Adopting Conventional Terminology for Islamic products

Although not recurring as a repetitive theme, but the Executive Vice President of a tier 1 Islamic bank claims to have taken the initiative to introduce more often used

conventional banking terms for cross selling Islamic products for the ease of understanding and use.

“We started to implement the international language in the Islamic products so that it has a flavour of both people understand it because all people do not understand LC Murabaha, what is LC murabaha, LC finance, so how can you put in a common language between them?” (EM07T1)

4.3.3.2. Commercial and Third Party Partnerships for Cross Selling Initiative

Some Islamic banks have admitted to claim third party partnerships for cross selling purposes. From third party investment solutions to car loans, IFSI seems to be adopting cross partnership strategies for cross selling initiatives. However it is not known if all Islamic banks are practicing this strategy for cross selling or just few Islamic banks. So far it is only the tier 1 Islamic banks that have admitted to this as a cross selling initiative.

“We do cross-selling we do special programs we do special tie-ups so in order to cross sell even from auto perspective you know we do tie ups with dealers for car dealers and sometimes you know we provide a credit card for free or sometimes provide pre-approvals for customers, there are so many we have implemented.” (SM04T1)

“We also work with third party providers of fund managers in the various group, so it is just not that we only sell what we have in the bank, I think we also sell various other investment solution that are there in the market. So there are various fund managers who would give the exposure to say various equities or various other asset classes, so that is regularly done.” (EM06T1)

4.3.3.3. Improving Cross Selling Ratio

There is yet no concrete empirical report or study that should give the actual figure on cross selling ratio per customer in IFSI. Most respondent shied away from giving an actual figure of cross ratio in IFSI and some clearly denied giving any details as per their policy rules. However, few of the respondents gave some idea, if not the accurate details, regarding the cross sell ratio in IFSI but mostly can be regarded as a guess figure rather than an actual account of cross selling ratio. There is a lot of variance in accounts of respondents regarding the actual figure. An empirical study is needed to actually measure cross selling performance in regards to cross selling ratio

per customer in each banking type. The absence of clear figure on cross selling ratio makes it impossible to compare the actual performance scale of IFSI from that of conventional banks.

“Yeah I can give you, actually our most affluent hold about 5 or 6 products. [Per customer?] Per customer! Mass retail will be around 3, 3 and ½ products. That’s on average. (EM16T1)

“We aim to have a cross-sell ratio of about 4, whereas one customer holding on to at least four products at a given point in time.” (SM02T1)

When probed to reveal a cross selling figure, the senior manager of a tier 2 bank shied away from giving an actual figure:

“I wouldn't be able to do that but for wholesale banking I can say that we impose that each product... each customer, the penetration rate is each customer should have two products (SM09T2)

However, IFSI seems to be aspired for increasing cross selling ratio in near future:

“I would say if the conventional is four Islamic is three right now. But the conventional banks aspires to make it six, we also aspire to make it six so it has to go the same way.” (SM14T2)

The Executive Vice President of a tier one bank disregarded cross selling ratio as an important measure for cross selling initiative but rather emphasised on the revenue side of cross selling initiative and how revenue is more relevant in measuring the scale for cross selling initiative:

“I think we don't go by products we just go by revenue, and yes we do this and is done by relevant area for example priority banking customer, they do measure whether a customer is having takaful with us, he is doing home financing with us so they do measure this thing, how many product we are selling, you know the share of wallet and things like that, but that is regularly done by them, they do measure it in terms of products sold, they also measure in terms of revenue generated by selling those product.” (EM06T1)

4.3.3.4 Incentives for Cross Selling Initiatives

Cross selling efforts by employees in IFSI is rewarded by incentives. The incentives are linked to products sold to customers and rewarded on the basis of cross selling ratio per customer. However, it is not a repetitive theme to suggest that IFSI as a whole practices incentivising cross selling initiatives. There are only few Islamic banks that claim incentivising for cross selling initiatives.

“There are targets around that which are given to our sales team. So they are responsible to ensuring that they achieve that kind of cross sell ratio, and then their incentives and pay-outs are linked to that.” (SM02T1)

“Also part of the ... once it becomes a priority, the bank also try to incentivise, because to embed something you have to initially give incentive to people to really a certain way of doing things.” (EM06T1)

One of the senior managers of a tier 3 bank when probed about incentive policy for cross selling efforts denied any knowledge of such a policy, however, he did mention that cross selling efforts on the part of the employees do reflect positively in the year end performance review:

“I'm not sure of anything which is in the policy per say, but I am pretty positive that when it comes to your year-end appraisals and the review of your performance cross-selling would be one factor in your performance. So, management you know if you're somebody who is you know brought number of opportunities to the bank throughout the year that I believe will be a positive reflection on you come year end performance review.” (SM15T3)

The Vice President of a tier 2 bank asserted the importance that the bank puts on cross selling initiative from employees perspective that in failing to do so would result in the loss of incentives for the employees:

“Basically it is one of the organization's strategy and planning for next two, three years up to 2020. [...] That if you are not bringing the cross sell products to us definitely your remuneration or your incentives will not be released. So there is a complete backup from the organization, they have proper policy for this.” (EM08T2)

This to a certain extent does establish the practice of incentivising cross selling initiatives within the IFSI. However, There are conflicting views as to how much of incentive driven is cross selling effort in IFSI? There is a need to empirically investigate the performance scale and effect of incentives on cross selling initiatives in IFSI. The other aspect that is more apparent from the excerpts is that cross selling is done more on a personal human effort rather than automation. This would mean that cross selling depends more on a personal human effort by ways of personally approaching the customers rather than automation where cross selling happens automatically through IT enabled functions.

However, there is exception in one of the leading tier 1 Islamic banks where a product known as “salary in advance” was cross selling on automation bases through ATM portals. The cross selling initiative grew in three months time from 18,000 transactions to 26,000 transactions by just offering advance salary on ATM screen for eligible customers (SM02T1). There is a need to empirically investigate if IFSI is dominantly automated enable for automatic cross selling or is still employing personal human effort for cross selling efforts and how successful either of the two are and why?

4.3.3.5. Intra-Department Cross Selling Initiative

Intra-department cross selling has not been much studied either in IFSI or conventional banks. It is still an underdeveloped study and requires more academic exploration. This study has however provided some insight to the intra-departmental initiatives for cross selling efforts within the IFSI. It is the collective engagement of different departments working together towards cross selling efforts as a single team. All departments integrate and communicate to identify cross selling opportunities occurring for any department and in any department that can serve to the customer’s intra-department product needs.

“Here, even as a bank I'm sure, there are products that we cross sell which we call intra department. For example in wholesale banking, we sell financing, we cross sell three products, LCs and LGs products, we also cross sell the cash management products which are the cash collection, payment and all that. So this this is also cross selling within wholesale, this is intra.” (SM09T2)

In the above excerpt a senior manager of a tier 2 bank explains how his bank does intra-department cross selling with wholesale banking and treasury banking products by integrating the two departments. Similarly in other Islamic banks it is the product partners from each department that work with the product partners of other departments to function an intra-departmental cross selling initiative.

“The different departments where they have product partners’ work with our own partners with the relationship managers of a particular segment. They go with the relationship manager and try to pitch all the products that they have in their respective departments.” (SM10T2)

This establishes to a certain extent the intra-departmental cross selling initiative in IFSI and that departments across the bank integrate for cross selling purpose. However, there is not much detail regarding how exactly cross selling happens in intra-department cross selling initiative. There is a need to further investigate if the intra-department integration for cross selling is mostly done through the efforts of personal human interaction like relationship managers, product partners, or through digital platforms like that of CRMs? And how efficient each of them is in effective cross selling efforts.

4.3.3.6. IFSI Investing in Innovation and Technology for Cross Selling Initiative

Cross selling initiatives in both financial and non-financial industries have become mostly digital with day-to-day growing technology. Most of the cross selling is being done on CRM platforms especially in conventional financial industry. However, there is still much need to be explored in regards to the role of IT for cross selling initiatives within IFSI. Although there are interview excerpts informing of the initiatives taken within the IFSI to equip Islamic Banks with latest technology for cross selling efforts but it is still not very substantial in establishing its performance effect on cross selling. There are evidences for great investments being made in IFSI for research and development programs to support digital cross selling, especially within the tier 1 Islamic banks. Also converting the existing conventional banking technology to suit Islamic banking structure for saving cost and time.

“So we are a large bank, we have a great emphasis on innovation and technology, we have been spending all investing into this business for years and we continue to do.” (SM02T1)

“[So it will be fair for me to say that Islamic banks are making an effort to do cross selling and they are employing and investing in technology support?] Yeah! Yeah! they are investing a hell lot of money in IT technology in even you know in people in consultancy they bring millions for consultancy.” (SM04T1)

The Executive Vice President and the Global Head of a Tier 1 Islamic bank reiterates that not only their bank is investing in technology but also customising the system to suit Islamic banking platform, and training and equipping the sale force to use that customised technology:

“Yes, yes, so IT is a big chunk of it. So investment goes to put cash management products, new online banking, add more convenience to customer so you consume our cross sold products, trade finance and then also invest in CRM, big CRM across the entire bank. So the investments is not only going to systems but also for people designing the new process operations, going also for training the relationship managers to how to cross sell because you need to train them, they're not used to it. So the entire budget transformation is cut this way [...] we brought systems that can be customized Islamically.” (EM07T1)

IFSI is trending to create their own banking platforms or where possible converting the existing technology by customising to suit their specific banking needs:

“We worked internally with IT and I mean in my opinion there's nothing better than creating your own system, right! because then you know you know how to play with it there are no limitations you don't have to go to the model company every time you need to do an upgrade or something.” (EM13T2)

“It can always be improved, I think it is on a good level. It is a good level, I don't think it's the most advanced, I think there is still a lot we can do on that and I think that's probably true for the industry as a whole. As we move towards digital banking, data analytics is going to be one of the key principles of driving the business. We will probably be investing more in that.” (EM16T1)

This however, does not give any scale performance for cross selling efforts as of now in regards to IT. How much IT technology has enhanced or effected cross selling efforts within the IFSI is still unknown. IFSI is well set on track to achieve the technology needed for cross selling initiatives is apparent from the above excerpts.

4.3.3.7. Monitoring and Benchmarking Cross Selling Performance

Monitoring and benchmarking cross selling efforts is another emerging theme that reflects IFSI initiatives for cross selling. It well defines measuring the performance scale of cross selling efforts taken within the IFSI. However, this study only substantiates to the practice of monitoring and benchmarking cross selling and not the process and method for the same. The Vice President of a tier 3 Islamic bank to some extent gives details of how they monitor cross selling efforts by ways of regular audits and checks. Cross selling teams have dedicated cross selling targets on monthly and weekly basis and their calls are recorded for auditing cross selling efforts.

“We have a massive cross selling team in the bank, they are tasked to cross sell on a monthly, weekly basis, they have their key deliverables in terms of how are they approaching the customers. We regularly ... the calls are recorded for clients, so we regularly audit their calls also we try see if the right approach was taken, the script was followed and how is it like? How is the call sending officer addressing the descent of the customer? If the customer does not like the idea, how is objection handling been done? So we spend a lot of time and energy on that.” (EM05T3)

The Global Head of Treasury for a tier 1 Islamic bank affirms the practice of benchmarking cross selling efforts with that of the leading conventional banks to further and better their cross selling capabilities. He further revealed that cross selling performance is directly reported to the CEO of the bank for review on a monthly basis:

“So in our bank there is quite a lot of stress or importance given to cross sell and, we also benchmark ourselves to the market. So we would take a conventional bank which has the highest fee income ratio, benchmark it, understand it, dissect it, what do they do that we don’t do? I think the last ten years the bank has come a long way and that culture is there [...] so we constantly benchmark what the banks are doing, how the banks are

progressing, what are they offering and we continue to develop on that.”
(EM06T1)

“So basically cross selling mostly result in fee, so that is tracked across all the area whether it is real estate related, its takaful, its sukuk sales, its structured product, its investment product, everything is really tracked in the bank wise. I mean the CEO hold monthly meeting at times to review the whole thing.”
(EM06T1)

4.3.3.8. New To Bank (NTB) Cross Selling Initiative

Since UAE is an expatriate driven market and also a very recent one at that, there are both advantages and disadvantages to it when it comes to optimum cross selling opportunities. A senior manager of a tier 1 Islamic bank explains how an expatriate driven market such as UAE helps in increasing the product per customer ratio by cross selling to New To Bank (NTB) customers. Since most expatriates migrate for work from all parts of the world and needs to have accommodation, financing, car loans etc. it gives a better opportunity for the banks to cross sell to these customers upfront.

“This market is very expatriate driven market. A lot of people will come from different parts of the world living here, and this is you know also perceived as a high-flying you know market. So when an expat comes, he has to take a minimum of a credit card, he has to take an auto finance, and he has to take a basic personal finance to fulfil his, you know needs of, be it furnishing a house, maintaining or managing travel expenses, supporting someone back home. So these are the products, which are bare minimum for anyone to survive here. So that's the reason the average number of products help our customer here is high.” (SM02T1)

However, the above cannot be true for all Islamic banks and is seemingly a possibility only for big banks that can cross sell to both NTB customers and existing customer because of their size and large portfolio of product suits. Smaller Islamic banks focus more on acquiring new customers to build their customer base and books and focus less on cross selling strategies and efforts because of limited capabilities. Cross selling does not seem to be priority for small Islamic banks as much acquiring new

customers is. A senior manager of a tier 3 Islamic bank reveals this side of struggle for smaller Islamic banks in a new market:

“So, it depends on the bank size, if the bank size is small then they will focus more on 'new to bank' because they need to build the base first. The bank is large and they have other products which are established products then they will focus on cross selling. For example, the biggest banks or (Bank M) they have huge opportunity for cross selling but compared to other small banks I think that they should focus more on 'New To Bank' strategy then having in mind cross selling but they will start big on the 'New To Bank' and keep aside focus on cross selling.” (SM12T3)

4.3.3.9 Switching To Relationship Marketing for Cross Selling Initiative

Cross selling as a marketing discipline is well located within the relationship-marketing paradigm. Cross selling needs proper understanding of customer needs and wants as apposed to product oriented marketing where products are forced to the customers without understanding their needs. IFSI initially was and to some extent still is product oriented and had been relying on being “Islamic” as a customer retention and acquisition strategy to attract Muslim customers. However, that has changed with conventional banks also competing for the Islamic wallet share of customers interested in Islamic financial solutions. IFSI has slowly started to realise the challenge for switching to relationship marketing and most have already switched to relationship marketing for cross selling purpose, or, are already in the process of doing so.

“See in my opinion currently it's product oriented but I think eventually and I don't think there is any other option but to move to a relationship model and this is being trickled down now because after a few recessionary or recessionary cycles or some a few downturns banks have realized that relationships are more valuable than products [...] [so it's moving towards relationship marketing?] Absolutely! I don't think there is any other choice I think this is where we should also focus if the banks are not focusing on that I think those bank will lose out in the future, that's my opinion.” (SM03T2)

The Executive Vice President of a tier 1 Islamic bank reaffirms to the importance of relationship marketing and how important it is to understand customer's perspective. According to him cross selling is the understanding of customer needs which is vital for identifying cross selling opportunities:

“To your question how are we cross selling? it extensive training of RMs on how to...instead of just pushing products at the customer, imagine you're going to a doctor and when you step in, the doctor said you need antibiotic, 'but doctor you didn't see what's wrong with me', no! no! no! I want to sell you antibiotic, I have a quote of antibiotic to sell and here is the only customer.' So the idea is how the bank listened to the customer, what is his problem because cross selling is not about campaign and corporate world, it's about sitting with the customer, understand, 'so what's your issue, the issue is liquidity, no no! my issue is risk, I receive invoice people sometimes don't buy or my issue is I want to pay quickly because payment takes two days I want to payment the same day. Listen to the issue because the minute you teach RMs, the relationship managers to listen to the customer, the manger they will start to find that cross sell opportunities.” (EM07T1)

With the importance of cross selling sinking in within the IFSI, it is getting more and more relationship oriented. However, an investigation is needed to empirically assess the role of relationship marketing on the performance scale of cross selling within the IFSI. The causal relationship and correlation of the two is unknown in unique context of IFSI.

4.3.3.10. Top Management Cross Selling Initiative

There is a substantial amount of acknowledgement within the IFSI for the support that is being extended by the top management in regards to cross selling initiatives. The top management engagement in pitching cross selling initiative has increased the overall cross selling initiatives in all departments with increase in intra-department cross selling. There is evidence from respondent reports that shows that there is a shared sense of importance for cross selling across all the banking team and hierarchy in most of the Islamic banks, if not all. Top management has been successfully creating cross selling culture to promote cross selling initiatives, although so far this is only true for tier 1 Islamic banks and for some tier 2 Islamic banks.

“If the greater drive from up there I think Islamic banks will be doing a lot more on cross selling. Now we have a lot of drive from up there that actually pushes us to do more cross selling. (SM09T2)”

“Yes absolutely the messages from the senior management are very clear on cross-selling. They go statistically; they have targets that cross selling so if you are doing three products for a customer you need to move to four. It’s going on absolutely.” (SM14T2)

“I mean from the senior management perspective is very important for their team cross selling the firm, the culture at our firm is to encourage us to bring business for other departments even if it may not have a direct impact on us or our performance, so we’re encourage top-down to sell the firm and again as a big firm we have solutions across every aspect of the financial space.” (SM15T3)

“So yes the whole vision on the [inaudible 22:41] in the senior management is we want to do this and we need to share data we are one bank and we should have consistent experience for our customer whoever he is dealing with in that bank.” (EM17T1)

4.3.4. Cross Selling Medium in IFSI

IFSI mostly conduct cross selling activities through digital marketing. 20% of personal finance sales in the retail sector are attributed to digital marketing. This consist of all digital platforms including ATMs, online banking portals, CRM, electronic statements, e-mails, mobile banking app, and SMS (SM02T1, SM03T2, SM04T1, EM05T3, SM10T2, EM16T1).

“We do a lot of digital marketing and that again is based on analytics and data, so we will send out our digital marketing, we generate 20% of our personal finance sales annually through digital marketing which is cross-selling actually” (EM16T1).

Apart from the digital marketing another major cross selling medium is the interactive voice recording system (IVR) and call centres.

“Our IVR (interactive voice recording system) that is set up on our call centres, while you are on a hold on on a call, you know, those messages read out to you based on your profile and your eligibility, so it's I think it's very taken care of” (SM02T1)

However, on the corporate side of banking cross selling is more personal and is carried out on a relationship basis. It is mostly the duty of relationship manager to pitch for cross selling initiatives.

“On the corporate side, corporate don't buy this for you. Big corporates like Tata they will not buy from advertisement. This mainly is through educating our relationship managers, make sure they visit and visit the client to show them the portfolio products we've got.” (EM07T1)

Apart from the above there are few respondent excerpts that indicate to the use of cross selling campaigns, public weekly news and pamphlets, and seminars as a medium to promote cross selling in IFSI (EM07T1, EM06T1, SM09T2, SM10T2).

4.4 CROSS SELLING IN IFSI IS MOSTLY DIFFERENT FROM CONVENTIONAL BANKS

The third objective of this study was to explore how cross selling is different or similar with conventional banks. This objective is identified here as a reference guide in giving contextual direction to the emerging themes in this section. This section identifies 4 key findings for cross selling differences and similarities that exists between IFSI and conventional banks. The first key finding reveals that conventional banks are better equipped with technology, are more flexible, are more standardised, and have a bigger portfolio of financial products for cross selling. This makes the conventional banks far ahead in cross selling as when compared to IFSI.

The second finding discusses the many inherent problems and challenges in IFSI, which makes cross selling in IFSI less flexible and far behind conventional banks. Cross selling challenges in IFSI are different from that of conventional banks and so cross selling in IFSI is mostly not the same as conventional. The third finding however reveals that's both IFSI and conventional banks share in the same objectives and purpose for cross selling and can be considered similar in this respect. The forth and final finding reveals that among all the tiers in IFSI only tier 1 Islamic banks have

so far managed to achieve most of the cross selling in comparison to tier 2 and 3 which are still struggling and far behind.

Exhibit 18: Emerging Themes for How IFSI Compares to Conventional Banks in Cross Selling
(Source: Exhibit developed by author)

Global Theme	Organising Theme	Basic Theme
Cross Selling In IFSI is Mostly Different From Conventional Banks	Conventional Banks Better in Cross Selling Than IFSI	Conventional Banks Have Better Infrastructure and Technology
		Conventional Banks Are Far Mature in Cross Selling
		Conventional Banks Have More Flexibility
		Conventional Banks Have Bigger Portfolio of Products
		Conventional Banks Are More Standardised
	CS Challenges in IFSI are Different from Conventional	Belief Problem Limits Cross Selling in IFSI
		Banking Literacy & Awareness for IFSI Is Very Low
		Sharia Limits Unrestricted CS in IFSI
		Lack of Standardisation limits cs in IFSI
		Regulatory Challenges Limits CS in IFSI
		CS Process in IFSI is Lengthy
		Developing Cross Selling Product in IFSI is Very Challenging
		CS effort in IFSI is Low
		IFSI is in Infancy Stage
		Lack of Incentives Reduce Cross Selling Efforts
		IFSI Lacks Portfolio of Product Suites
		IFSI Struggles in Intra-Department Cross Selling
	Objective for Cross Selling in IFSI is Same as Conventional	
	Tier 1 Islamic Banks Are Better in Achieving Required CS	

4.4.1. Conventional Banks Better in Cross Selling Than IFSI

This section discusses 5 basic emerging themes that substantiate conventional banks to be better in cross selling than IFSI. The first emerging theme suggest conventional banks have better and advance technology than IFSI for cross selling which gives conventional banks a competitive edge over IFSI in cross selling efforts. The second emerging theme discusses long gain experience that conventional banks have in cross selling over the years which has made conventional banks more mature in terms of cross selling. The third and forth emerging themes discusses the flexibility with which conventional banks can cross sell and the ease to cross sell a range of financial products in comparison to IFSI which is less flexible with very little financial solutions to cross sell. The last emerging theme in this section discusses the benefits and advantages that conventional banks enjoy because of having standardisation that IFSI lacks. Collectively all these themes suggest to indicate that conventional banks are much better in cross selling when compared to IFSI.

4.4.1.1. Conventional Banks Have Better Infrastructure and Technology

One of the most prominent recurring theme that indicates for better disposition of conventional banks in cross selling is the better infrastructure and technology. The theme indicates conventional banks having advantage over IFSI in terms of having better systems that enables cross selling efforts. The Executive Vice President of a tier 1 Islamic bank argues that one of the primary reasons for Islamic banks to not yet achieve the optimum cross selling is because of lack of advance IT systems. The systems are mostly design to fit conventional banking needs and there is a lack of professional and technical skill that can convert the conventional system to cater for IFSI needs.

“So for the bank to do cross selling Islamically, the issue is that while they are far [behind] from conventional is because, one, the most of the Islamic banks, all don't have good enough system like the big players. If the big ones like CITI, JP Morgan, Standard Chartered or the local one that conventional ones that are very strong now and already invested. The idea is they need people who have the systems and need also need to hire people who has the knowledge to structure products. The challenge that the Islamic bank will do is, one, the system's most of it are done for conventional banks. So you need to

have people who know how to convert this from conventional bank to Islamic.” (EM07T1)

“Most of the world's best systems in the in the world today are the effort of conventional banking.” (SM01T3)

The Vice President of a tier 2 Islamic bank associates this problem to the lack of investments and research:

“They [conventional banks] have invested billions and billions on research. They do the market research, they do the financial research and then they bring up with the new products [...] we do not have as good as conventional bank have these financial systems they are using. Definitely on technology we are not at par with the conventional counterparts.” (EM08T2)

4.4.1.2. Conventional Banks Are Far Mature in Cross Selling

Apart from being technically advance, conventional banks have been in business for quite a long time in comparison to IFSI, which gives conventional banks a competitive edge in market and product development. Conventional banks have been cross selling since more than 2 decades as evident from literature on cross selling and IFSI have just recently started.

“It [IFSI] is competing with conventional banking which have hundreds of years of history. It has gone through that life cycle where they went through the competing issues like of systems, like of products, like of market.” (SM01T3)

“cross selling in conventional, the fee income in conventional, is much higher. Fee income in Islamic ... because of cross selling in convention is a lot more compared to Islamic. Now they've been around for much before for many, many years [...] I was previously in HSBC we've been talking about this cross selling like 20 years back you know and we were pushing our people to cross sell 20 years back.” (SM09T2)

“I would say conventional bank are still far ahead [...] Islamic banks and banking has to learn a lot from conventional bank. Conventional banks are I would say decades ahead” (EM05T3)

4.4.1.3 Conventional Banks Have More Flexibility

Conventional banks are more flexible in cross selling in terms of process and product structure when compared to IFSI. Cross selling in IFSI lacks flexibility because of certain process and product structure that mostly forms a prerequisite condition to qualify as being 'Islamic'. Certain product structures require added documentation process or even physical signatures that restricts smooth cross selling efforts and slow down transactions. A senior manager of a tier 3 bank elaborates on this to explain how the requirement for a physical signature in Murabaha transaction reduces cross selling effort by up to 80%

“There are certain times certain products will be required customer physical sign on the document itself. So Murabahas have to be physically signed by the customer. Unlike conventional bank which means we have to not just inform the customer, we not only have to sell the product to the customer, we then also have to get in touch with the customer physically to get the Murabaha signed from him. Again, our data tells us the chances of customer converting on a cross cell is 80% less if we start using physical process. So that's a one of the biggest drop out.” (SM01T3)

Similarly, the Executive Vice President of a Tier 1 Islamic bank explains how certain prerequisite procedures makes cross selling more complex in IFSI and how it slow down transactions.

“The other issue is the cross selling products in Islamic tend to be more complex in terms of process than the conventional. So for example, to issue an LC on finance in non-Islamic might be very simple steps and implication. In Islamic, you need to find who this ... did I own it before it or not? What is the process? Where we need sign, let me buy a metal from London!?all this process, like instead of three steps here, there is like five, ten steps here. This makes this transaction slower, and unless using technology, we can't speed the transaction, it's very difficult [...] the cross selling products are very long to implement.” (EM07T1)

4.4.1.4. Conventional Banks Have Bigger Portfolio of Products

Conventional banks have a range of products to cross sell to suit their customer needs. However, the same is not true for IFSI and it yet struggles to replace similar conventional products for cross selling. This limits cross selling opportunities in IFSI when compared to conventional banks.

“We have a limited range of investment products, because they need to be Sharia compliant. So the universe of investments in the conventional banking world is much wider.” (EM16T1)

“No! Look Islamic finance as a whole still doesn't have the product suites that match the Conventional, right! So you still have less products with that constraint you have to work with your clients to meet their requirements.” (SM15T3)

“Most you will have a very small subset of conventional products when it comes to even when you look at insurance. I mean for insurance providers the takaful provides they might not be giving all the kind of insurance that is available conventionally. For Treasury you would not have all the products, for trade you will not have all the products that are there. So one challenge is that you will not have all the products, you will not have a counterpart for every product that the conventional bank has to offer because conventional banks have been around for hundreds of years...” (SM10T2)

4.4.1.5. Conventional Banks Are More Standardised

One of the biggest issues effecting cross selling efforts in IFSI is the lack of standardisation. IFSI as a whole suffer from conflicting legal opinions within itself where different Islamic banks offer different products that are viewed as not fully Islamic. Not all Islamic banks share the same standard procedure for a certain product and usually differ in certain details. This is mainly caused due to the conflicting legal opinions of Sharia scholars. This has to some extent limited the scale of cross selling possibilities apart from other operational and banking risks. However, the same is not true for conventional banks as they are more standardised without any added conflict of opinions from religious scholars. This allows conventional banks an edge over IFSI to cross sell without much restrictions. The Executive Vice President of a tier 1 Islamic bank reiterates to the same problem below:

“There is no standardization across Islamic boards in the bank. The way we do Islamic invoice finance might be okay, our board... but another bank would say no no no! we do it another way. Musharaka in this bank okay, musharaka in that bank is not okay. The fact that the fragmented Islamic industry compared to the conventional which they have one book, ‘this is how we lend, this how the LC looks like, there's no debates’” (EM07T1)

A senior manager of a tier 3 Islamic bank when asked about the prospects of cross selling opportunities in regards to standardisation, he was assertive that one of the major problems holding IFSI back from moving ahead is the lack of standardisation. It takes a considerable amount of time in IFSI to execute a transaction whereas in conventional it is a matter of few seconds:

“Do I think Islamic banks would grow further if they were standardization? Yes! So I think standardisation is a major factor across the board for taking Islamic banks to the next level ... I think regulations is very important. [...] You don't spend a lot of time with legal teams or Sharia teams trying to sign documents and in that period time the requirement of the client has passed. You know in the conventional world I looked at some of the trades my colleagues and I do right on the Islamic space now they're able to pick up the phone and execute within seconds, for me it doesn't work like that.” (SM15T3)

4.4.2. Cross Selling Challenges in IFSI are Different From Conventional Banks

This section discusses the challenges and problems facing IFSI in regards to cross selling. There are certain challenges and problems inherent to the intrinsic nature of IFSI, which limits or inhibits cross selling efforts. These challenges and problems are mostly unique to the IFSI and so makes cross selling and its problems distinctively different from problems facing conventional banks. Many of these problems have been previously discussed in section (4.4.1.) but in a different context, and the context here is more specific to identifying the causes that limits cross selling efforts in IFSI. This section identifies 12 emerging basic themes that discusses belief problems, low banking literacy for IFSI, Sharia problems restricting cross sellings, lack of standardisation and regulatory challenges, lengthy process slowing down cross selling, product development challenges, low cross selling efforts, infancy, lack of

cross selling incentives, lack of product suites and intra-department cross selling struggles. Collectively these problems restricts IFSI from cross selling effectively and creates a huge gap in cross selling ability between IFSI and conventional banks.

4.4.2.1. Belief Problem Limits Cross Selling in IFSI

One of the main socio-economic hurdles that IFSI face is the perception problem of really how Islamic is the IFSI? Since the basis of Islamic banking and finance is on religious principles of sharia, it becomes vulnerable to scepticism for how different people, mostly Muslims, view IFSI and how different they imagine it to be from what it actually is. Majority of the Muslim countries with Islamic banks have a very low wallet share of the Muslim population. IFSI associates this problem mostly with belief issues. Vice President of a tier 3 Islamic bank explains this belief problem, where certain Muslim customers believe IFSI to be just an Islamic cover. There is the misunderstanding that Islamic banks cannot charge profit as it is equally similar to taking interest. The unawareness of Islamic banking principles and functions feeds to this problem.

“Turkey is 70 million [Muslims], Egypt is 90 million [Muslims]. The Islamic banking percentage ...even Indonesia as well 250 million [Muslims]. All these guys, which are 1 billion, Islamic banking percentage is at 10%, 5%, 7% [...] Why is it 5 to 10%? Because people don't have faith [...] okay because people think Islamic banking should be something else. If a conventional bank is charging a 15% interest rate, Islamic bank cannot charge a 15% profit rate. Why? They say no! no! no! this is just a cover up, how can the interest be the same as profit?! (EM05T3)

When further probed whether it was because of any other banking issue separate from a belief issue he reaffirmed it was nothing to do with banking issue but solely a belief issue:

“I will say it's a belief issue, not a banking issue. They know how to do banking, they know banking. [...] They believe there is nothing Islamic (in IFSI), or they believe Islamic is something else which they don't offer. [...] I told you it's usability issue, it's a faith issue, it's a believability issue, it's a joint illness of everyone. Scholars, the leadership, the regulators, the

governments, are they really ... Do the government or the regulator first of all believe that there's something called Islamic banking?" (EM05T3)

Two senior manager of two different tier 2 Islamic banks also shares in the same opinion as above:

"You know they compared Islamic banking with the conventional bank by making a very loose statement that you know it's the same thing whether you hold an ear from here or there, and all those things, right! but I think the awareness and the understanding is a lot of people shy away from banking with Islamic banks." (SM03T2)

"Yes they don't believe this that it [IFSI] is truly sharia compliant [...] So Islamic banking is ideal for that person but that person might not believe its Islamic. [...] They say 'it is the same thing [as conventional], it is the same rate that you are charging me these guys are charging me interest rate you are charging me profit rate, everything is the same. They don't understand the internal modality, what is the risk, what is the additional risk, is it asset based financing, is not a financing.'" (SM10T2)

One of the major problems that feeds to this belief issue is the unawareness of Islamic banking principles and functions, as argued by the senior manager:

"I know five people in my family who say Islamic banking is the same thing as conventional banking and I'm sure they can't understand half the products. They are my elders but this is their belief. [...] The belief side, the education side, financial literacy these are all contributing factors." (SM10T2)

4.4.2.2. Banking Literacy and Awareness for IFSI Is Very Low

Banking literacy for IFSI among the common masses is very low. This has contributed to people less understanding and less believing in the IFSI, as mentioned in section 4.4.2.1. above.

"I think the basic hindrance is the understanding factor, right! a lot of people that I come across with involve in the banking fraternity they don't understand why that contract is in place and what those contracts are about [...]" (SM03T2)

A senior manager of a tier 2 Islamic bank sees Islamic banking illiteracy and lack of awareness as the major challenge for IFSI cross selling:

“I think there are two things that I come across which I think a lot of people don't consider Islamic banks as truly being Islamic, it is lack of education a lot of people don't know about Islam. Honestly the truth of the matter is a lot of people do not understand Islam. [...]

He further argues that conventional banking products are comparatively easy to understand than Islamic products and also there is not much of an awareness programs and campaigns to educate people about Islamic finance:

“It is banking illiteracy but I will say that the conventional products are easier to understand as well. [...] They are not going to take the time they don't really take the time to learn how to use a smartphone. My father does not even take the time to learn how to use a smartphone he's not going to take the time to learn to use Islamic banking he's in his 60s right!” (SM10T2)

“Literacy, financial literacy big issues and then Islamic banking obviously has benefits but you need to tell people about the benefits and then go and see the Islamic banking advertisements or you could use campaign's nobody tries to explain those benefits” (SM10T2).

The senior manager of a tier 1 Islamic bank also argues that Islamic banking unawareness among customers feed to the problem of less confidence in IFSI which effects cross selling efforts.

“The ignorance about Islamic finance in different way maybe effect the cross selling. There are some perception to some people that there is no Islamic finance so maybe that this can be looked at as a negative issue that there are perception to some people that you know this is not Islamic so I would go to conventional Bank that his experience more than and easier.” (SM04T1)

4.4.2.3. Sharia Limits Unrestricted Cross Selling in IFSI

The issue of sharia limiting unrestricted cross selling has been partially discussed previously in section “4.4.1.3. Conventional Banks Have More Flexibility”. The prerequisite of sharia compliance in IFSI demands certain process and product

structure to qualify as 'sharia compliant' product, which makes cross selling less flexible and limited. The physical signature in murabaha transaction reduces cross selling effort by up to 80% (as previously discussed in section 4.4.1.3.). By sharia standards IFSI cannot exercise pre-consent liberty where cross selling can be done on a pre-consent basis. IFSI needs to take a positive consent for every transaction, in some cases physical signature, before it can cross sell. This affects the magnitude of cross selling and limits future growth opportunities.

“There are a lot of portfolio actions, cross sell actions, that conventional banks can do without even taking customer's consent. So they operate on a deem consent basis. [...] As a sharia-compliant bank, we are mandated to take a positive consent of the customer to start selling him a cross sell product. So the magnitude of the cross sell that that we can do is far less than what a conventional bank can do” (SM01T3)

“There are certain things that we can sell, there are certain things that we can cross sell to the customer but from Sharia perspective there are things so that we may not be able to sell because of the Sharia requirements or Sharia restriction” (SM09T2)

The Vice President of a tier 2 Islamic bank goes even further to say that all relevant issues that are deemed to cause restrictions to cross selling in the IFSI can be dealt with except for sharia related restrictions. He concludes sharia to be the main constraint to cross selling in IFSI.

“The main constraint is Sharia, no doubt. You may say that the Islamic banks they don't have proper policy, they don't have proper data analysis system, they don't have the technical team, they don't have the proper software. These are the issues, which can be overcome easily. If you would like to invest some money definitely you can overcome but the main constraint is the Sharia rules and principles where sharia would like to ensure for each cross sell that here bank is not taking any unfair advantage.” (EM08T2)

He further elaborates on the conflict of interest between the business development and sharia department over cross selling in IFSI. Business development is mainly concerned with the profit maximisation and organisational growth whereas sharia

department is only concerned with issues that contradicts sharia specific issues. Any new business model or product in IFSI needs sharia clearance from sharia board before implementation. The conflict arises when sharia board rejects or disagree with business development unit for the proposed business model or product. This conflict between business development and sharia limits cross selling efforts and opportunities:

“So up to now, the main constraint I see here in Bank H is the Sharia rules and principles of Sharia control over the cross sell products [...] That basically is the main hindrance for the business people that they are unable so far to go and at a larger scale can offer the cross sell to the customers. I can tell you that some of the products are already approved as a concept, as a main product development document, as a structure but at the end when they have prepared the detailed policy and procedure, sharia refused, No! because it is ultimately going to conflict with the concept which we have given” (EM08T2)

“So in that case, we have Alhamdulillah in Bank H rejected so many BRDs (Business Required Documents) which is required to develop any software or any system, which were not basically reflecting the actual Sharia rules and principles in the product approved by the sharia. So for Bank H at least I can say to you that the main constraint for the cross sale is the sharia rules” (EM08T2)

4.4.2.4. Lack of Standardisation Limits Cross Selling in IFSI

The lack of standardisation in IFSI has been partially discussed in section (4.4.1.5. Conventional Banks Are More Standardised). It was previously discussed that due to conflicting legal opinions of sharia scholars not all of the IFSI share in the same view of Islamic standards when it comes to product development, procedures and operations. Islamic banks disagree within themselves regarding products from other Islamic banks. The absence of standardisation in IFSI has limited cross selling efforts and has made it further inconvenient for the IFSI to cross sell.

“There are no one centralized body which governs Sharia in terms of banking products. That is why you will see there are a lot of variants within Islamic banks within the same country let alone the region. So one Islamic bank can

offer a product or a service, which the other Islamic bank is not even allowed to do.” (SM01T3)

“So you might have Islamic bank A in country A saying that this product we do it this way, you may have another Islamic bank in the same country or another country which does a product different way the way it is structured in sharia and those two products might not be ... might not have the same terms and conditions and they probably can’t even trade with each as Islamic banks because they will say that this is the way I do this product, this is the way I do this product [...] I mean standardization is a big challenge so every Islamic Bank has its own Sharia board they have their own products they have their own documentations. [...] Even two Islamic banks in different countries who want to do trade finance transactions or any transactions might not be able to do it because of this standardization issue. They might be negotiating of the agreements for years so this is one of the challenges so Islamic banking has standardization as a big issue.” (SM10T2)

4.4.2.5. Regulatory Challenges Limits Cross Selling in IFSI

Regularity challenges are affecting cross selling prospects in IFSI. However, this is more jurisdiction based and relevant to specific country laws and can vary from other sovereign jurisdictions and their respective country laws. In regards to the case in this study it is specific to regulatory challenges facing IFSI in the UAE. UAE holds a significant share of total Islamic banking assets globally and therefore relevant to the challenges facing cross selling in IFSI.

The fast changing economic developments in UAE has seen frequent and continuous regulatory reforms that consume considerable time for banks in sorting compliance related issues. Banks in the UAE have been more consumed with regulatory challenges than focusing primarily on cross selling. Senior Manager of a tier 2 Islamic bank believes this to be one of the many reasons that limits cross selling efforts in IFSI.

“Yes size, sophistication, other issue is regulatory. See right now the banks have been kind of consumed in more and more regulation because the evolution of the regulatory requirements has sped up significantly in the last ten years because of various governments the way the world economy is

changing. So because of that the focus on some of the areas I do not see that as much as they deserve, those specific areas such as cross selling. [...] They are making it less of a priority. It's just that people are consumed more in trying to address to regulatory challenges” (SM14T2)

The Executive Director of a tier 2 bank primarily blames regulatory bodies for not treating IFSI as it should be treated in regards to growth challenges including cross selling.

“See, I've been in this industry since 2005 and the Islamic banking in particular before that I was with conventional and let's be honest and in all fairness definitely Islamic banking is lagging behind, is lagging behind not because of anything but the struggle it faces with the regulations still it is not treated the way it should be treated it's not given weight the way it should be given weight.” (EM13T2)

Senior manager of a tier 3 Islamic bank explains cross selling problems facing regulatory challenges in IFSI. The credit bureau in UAE is introducing a cap on credit borrowing to not over leverage a customer more than 50% of his/her earnings. This can be argued as a prudent step on the part of the regulation to avoid debt overburden, however, at the same token this would limit cross selling of debt instrument such as credit cards, mortgages, car loans and personal finance.

“After the implementation of the bureau it will be a problem to get [cross selling] because if there's a mandate of 50% that burden...so if your cross selling another product it will be a problem, if you're giving a limit increase it would be a problem, but within the limit cross selling there is no problem.” (SM12T3)

4.4.2.6. Cross Selling Process in IFSI is Lengthy

Cross selling in IFSI is not as flexible as in conventional, as previously discussed in section “4.4.1.3 Conventional Banks Have More Flexibility”. The prerequisite for Islamic products to qualify as ‘sharia compliant’ demands added layer of sharia approved documentations and unconventional process methods. This significantly slows down the whole cross selling efforts. As previously mentioned in section “4.4.1.3.” the process part reduces cross selling efforts by up to 80%. According to

one of the senior managers of a tier 3 Islamic bank it is the single most biggest variable in cross selling success and failure:

“So one very very critical thing on cross selling is the process piece. I think that is the single most biggest variable between a success of a cross sell program and a failure.” (SM01T3)

The prerequisite of sharia requirements makes the process lengthy and so is argued as a sharia specific issue more than an administrative issue. However, it is still not clear whether it is the lack of innovation that causes administrative failure in resolving the process issue or is it an inherent problem of sharia that inhibits all sorts of innovation in process design.

“Islamic banks also have another challenge that there are a lot of added documentation and a lot of added transactions in Islamic banks have to perform. Because Islamic bank finance is based on the concept of sharia principles and usually there is actual commodity on an actual asset on the back of every transaction. So it is not interest based, it is asset based. So in those cases you have to do the actual transaction so you have to do a lot of other transactions that conventional banks dont have to.” SM10T2)

“I think there are lots of sharia compliance problem is being discovered, so it's a learning process that you know (Bank D) has started, and now all other banks are, still maybe a long way to go to have you know very clear concept about Islamic finance, and from process perspective, process you know most of our problem with the Islamic finance is processing, how to do things, it's very simple you know but how do you do it? [...] This is number one issue for cross selling, this is an obstacle and makes your competitors come over you and its processing.” (SM04T1)

4.4.2.7. Developing Cross Selling Product in IFSI is Very Challenging

Developing cross selling products in IFSI is a not an easy task as it requires deep understanding of the customer needs which is not possible without advance systems that enables scientific data mining for identifying customer propensity. Equally important is understanding sharia specific issues and customer demand and opportunities for cross selling in an already competitive environment. This adds to

IFSI not having a wide range of Islamic product portfolio that can be bundled for cross selling purpose and makes cross selling in IFSI less efficient.

“Developing cross sell product is also a challenge in Islamic banking because it is not just off the shelf, there is a Sharia board involved, to structure a product in a certain way depending upon which jurisdiction you are, what is the rate environment, what is the investment environment based on that you come up with the product which takes time to come on board then penetrating that kind of a market building up that customer base which will buy that cross sell product takes time.” (EM06T1)

Also Islamic product development assumes more risk. For instance, sharia restricts variable rates on personal finance and other murabaha products making the bank more vulnerable to the market's fluctuating risks. This makes IFSI assume a much greater market risk and results in the loss of risk appetite that further restricts product development, which consequently effects cross selling prospects.

“Some of the times, in fact, most of the times, it's restrictive in nature because it does not protect the bank enough, so they don't have the risk appetite to start with the product.” (SM01T3)

The other variable that further adds to the problem of product development for cross selling is the lack of professionals who understand both technical side of the banking operating systems and also sharia. Professionals with knowledge of advance banking and product designing mostly come from conventional banking industry and lack proper knowledge of sharia and sharia instruments. On the other hand, professionals with deep sharia knowledge lack professional banking skills. This adds to the paucity of required skills in IFSI somewhere down the line effects product development and ultimately cross selling

“The other problem is that also they bring experts in new product, most of them don't understand Islamic banking. So they don't know how to do it with murabaha or musharaka, they know how to do normal interest rates. So this has two challenges how to get people who has knowledge how the systems that support the Islamic bank” (EM07T1)

4.4.2.8. Cross Selling Efforts in IFSI is Still Low

Although there is enough interview data to suggest that IFSI has and is taking quite a lot of cross selling initiatives, however, there are many interview excerpts that still suggests cross selling efforts in IFSI is quite low than expected. There is also not much substance to support that IFSI is active in marketing for cross selling efforts. A senior manager of a tier 2 Islamic bank even suggests that the overall cross selling practice in IFSI is still not more than 20%. IFSI has still not achieved cross selling across all its different banking sectors including retail, corporate, treasury, and wholesale. This also indicates to the lack of intra-department cross selling efforts in the IFSI.

“I see only 20% doing that right now if you ask me for a number. No more than that. They are not doing that and if you ask how many banks offer everything you will have very few examples like we know we are very active on the corporate we are not active on the retail side. Likewise you go to certain banks you see them very active on the retail side but not on the corporate side.” (SM14T2)

There is not much of marketing initiative taken within the IFSI to promote products specifically for cross selling efforts.

“We don't [do marketing specifically for cross selling]. We do target it let's say, below the line. You know, there's different, below the line targeted offers to customers for cross-selling, but we only go out with marketing promotions it tends to be for the product itself. We will do a personal finance campaign, a big campaign. But we're not doing it just to capture cross-sell, we're doing it to capture anyone who wants personal finance.” (EM16T1)

IFSI as a whole has still not achieved cross selling as a priority although there are efforts being made throughout the industry to bring priority attention to cross selling and the efforts thereof but it still lacks overall conviction

“They [Islamic banks] probably not cross sell, cross sell is not really a big retail concept, it is in some banks.” (SM10T2)

4.4.2.9. IFSI is in Infancy Stage

One of the most common repeated argument for low cross selling efforts in IFSI is that it is still in its infancy stage. IFSI is comparatively very recent to conventional banking and has been therefore much consumed with priorities other than cross selling to establish and consolidate its customer base. Although Tier 1 Islamic banks have come up quite progressively in regards to cross selling but a majority of the Islamic banks are still believe to be evolving.

“Because Islamic banking is new, 30 years old, it is catching up so initially when a bank is set up the first focus area is to grow the balance sheet, deploy the capital, build up the balance sheet. [...] Some Islamic banks have got to that level of cross sell where they are able to affectively cross sell, track it, monitor it, but then there are certain Islamic bank which are still struggling weather from sharia perspective or weather it is there infancy stage that they have not yet gotten to that level where they are able to cross sell” (EM06T1)

A senior manager of a tier 2 Islamic bank confessed to IFSI focusing on cross selling being a very recent, recent as almost 1 to 2 years old. This does indicate to reasons for IFSI still catching up with cross selling.

“You know so but having said that I think the past one, two years I think there have been more focus, more drive on cross selling, both on the retail and on wholesale.” (SM09T2)

A senior manager of a tier 2 Islamic bank believes that it is not only the IFSI that is evolving in terms of cross selling but even conventional banks are also not very advance in cross selling yet and are also still evolving.

“I think it’s just an evolution of Islamic banking still at infancy. I mean despite having done a few decades it's still not the case based on my experience on the previous organizations as well. Even on the conventional side cross-sell is evolving” (SM14T2)

4.4.2.10. Lack of Incentives Reduces Cross Selling Efforts

There is not much of information regarding any policy within the IFSI that clearly states any incentives for cross selling efforts. On the contrary there are interview excerpts that indicates to the lack of incentives and rewards for cross selling purposes

in IFSI. Senior managers of a tier 2 and tier 3 Islamic bank completely denies of any incentives been given for cross selling efforts either in their banks or for that matter any other Islamic bank. An exception can be an overall year-end appraisal without any fixed reward system based on percentage, or any other merit than cross selling.

“Islamic Bank will be very on the back foot on that so I mean internally what I've seen incentives are very low or non-existent so you don't really incentivize. [...] For cross selling, you don't do campaigns so you will not do a campaign you will not do an incentive. What I'm saying is maybe you do one in two years or maybe you do ... it's not a regular part of your everyday thing. It's not like every second, third, fourth month one new campaign is running.” (SM10T2)

“I'm not sure of anything which is in the policy per say, but I am pretty positive that when it comes to your year-end appraisals and the review of your performance cross-selling would be one factor in your performance. So, management you know if you're somebody who is you know brought number of opportunities to the bank throughout the year that I believe will be a positive reflection on you come year end performance review. (SM15T3)

The senior manager further asserts the underlying importance for incentivising cross selling by giving an example of the lack of incentives and how it demotes cross selling efforts:

“[...] If I can do X you want me to do $X + 2$, you want $X + 3$, you only $X + 4$, I'll do it only for so long because the reason is that what is the incentive? It's human nature what is the incentive to me to put 120% of my efforts into doing something when it is okay to put in 60 and be okay? You get the same return reward you get the same compensation for doing 60 why do you want to do 120?” (SM10T2)

There is no clear understanding of why IFSI does not incentivise cross selling efforts, however, it is suggested that maybe it is because of sharia related issues to avoid unsolicited and over cross selling, or maybe other ethical issues that Islamic banks clearly wish to avoid. This demands to investigate cross selling incentives in IFSI and how it effects cross selling overall.

“They don't want to do it, because maybe they feel that if you do this you are becoming very aggressive, you are very sales driven, maybe Sharia will take a back seat, maybe appropriateness and compliance take a back seat to a sales driven culture.” (SM10T2)

4.4.2.11. IFSI Lacks Portfolio of Product Suites

The problem of IFSI lacking portfolio of Islamic products has been partially mentioned in section “4.4.1.4. *Conventional Banks Have Bigger Portfolio of Products*”. The most common problem for IFSI to cross sell is that it does not have complete set of financial products and solutions to replace readily available financial products and solutions available in conventional banks. This inhibits cross selling opportunities for IFSI.

“We don't have 100% of the product suite of offerings as well as flexibility that a conventional bank offers today, it's just not there. [...] There are lot of Muslims who are still prefer to bank with conventional banks, that's because they feel that some of the products that they need at this point in time are not being offered by Islamic bank.” SM01T3)

According to the Vice President of a tier 2 Islamic bank, only 5% of total cross sell business is coming from the 80% of the wholesale banking customers because their bank does not have financial solutions to provide them for their financial needs.

“When there was a complete change in the management and a consultant company which has thoroughly reviewed the product policies, and they.... and the credit policy of bank. They found that more than 80% of the customers, we are associated with them only to take their 5% business of overall business. 80% of our WBG, which is called Wholesale Banking Group our customers are not basically banking with us for more than 5% of their business. The main reason is that, the other conventional banks where are either you can say they are trapped, they are providing them overall a complete bunch of financial services or you can say they have basically trapped them in a way that if they would like to transfer from conventional to Islamic, it is hard for them to go because the Islamic banks are not providing any such kind of umbrella or such kind of full set of financial services.” (EM08T2)

A Senior Manager from the same tier 2 bank also complains of the same problem facing IFSI:

“We can refer clients to Treasury for example but the propositions and the package that Treasury needs to give to our customers should be equally attractive for customer to take. That's where I think we are struggling.”
(SM09T2)

4.4.2.12 IFSI Struggles in Intra-Department Cross Selling

The problem of Intra-Department cross selling can be seen as the continuation of the problem already mentioned in the previous section above, which is the lack of complete product suite in IFSI. Not all departments are equally equipped with all financial solutions needed for intra-department cross selling. Customer demands for intra-department financial solutions are still not completely met and results in customer finding their financial solutions elsewhere, mostly with conventional. The perfect example for this is what has been already given in section “4.4.2.12” where only 5% of total cross selling was achieved in wholesale banking from 80% of its existing customers (EM08T2).

The senior manager of a tier 2 Islamic bank further explains to the problems of intra-department cross selling where each department function to cross sell opportunities to other departments but lack of proper synthesis makes the cross selling efforts futile.

“For example, because to me if cross selling [needs to be] successful [in] each area, we need to do the part, right! We can cross sell to you treasury, for example this client, but you have to have a proper products, proper platform that you can sell to the client. If you do not have and then we can always cross sell to you but you will not be able to deliver. So certain instant is becoming a dilemma also. ‘We have done so much! But what have you done to make sure that you can get the client? We have done so much one on this side on the trade side, for example, ‘what have you done to make sure that the client come back and take the product from bank?’ (SM09T2)

A senior manager reveals that cross selling in IFSI is not more than 20% because of lack of intra-department synthesis:

“They need to have a proper strategy to cross sell more. They need to cross the various product functions within the bank, a lot of effort that needs to happen. I see only 20% doing that right now if you ask me for a number. No more than that. They are not doing that and if you ask how many banks offer everything you will have very few examples like we know we are very active on the corporate we are not active on the retail side. Likewise you go to certain banks you see them very active on the retail side but not on the corporate side. That is a challenge no one is doing it holistically.” (SM14T2)

4.4.3. Objective for Cross Selling in IFSI is Same as Conventional Banks

Problems and challenges for cross selling in IFSI is very much different from that of conventional banks in regards to belief problem, standardisation, regulation, and process. However, there is a consensus over the shared objectives of cross selling within the IFSI, which is same as that of conventional banks. The objectives mostly include customer retention, low acquisition cost, and high revenue, as previously discussed in section “4.2.4 Internal Factors Motivates Cross Selling in IFSI”. The differences in cross selling between IFSI and conventional banks is mostly due to different approach and methods but cross selling itself as a concept and philosophy largely remains the same for both IFSI and conventional.

“The objective is the same, I should think. The implementation may be different. There are certain things that we can sell, there are certain things that we can cross sell to the customer but from Sharia perspective there are things so that we may not be able to sell because of the Sharia requirements or Sharia restriction. [...] So what I am trying to say is the objective is the same, what we want to achieve is the same, it's just that we have to be a bit more careful when we sell.” (SM09T2)

“Between conventional and Islamic banking, the cross sell opportunity is the same because at the end of the day both the school of thoughts are trying to address the needs of the customer.” (SM01T3)

IFSI cross sells for the same reasons conventional banks cross sells, which includes all the cross selling benefits from customer retention, high revenue, building customer relationship. However, as previously mentioned, IFSI still struggles to provide for all

financial solutions, which are already available in conventional banks which much further ease and convenience.

“If you look at the reasons like conventional banks looking at cross selling, Islamic banks are looking at crossing selling because of exactly the same reasons because the main crux is that we want to be the main bank and we want to provide you know most of these financial services that our customer needs. [...] I mean the objective is the same for the bank but obviously the challenge now is that Islamic ... in Islamic bank you might not have all the same products” (SM10T2)

“I think the cross-selling mantra their cross selling philosophy I think is institutionally driven, obviously there is the ease of cross selling, that's a factor on Islamic industry ease of cross selling is harder because each structure has its own sharia elements and requirements but the ethos of encouraging cross selling I think is institutional driven.” (SM15T3)

“So I think in general the approach is the same between conventional and Islamic. I don't think there is a difference. I think all brands be it conventional and Islamic will have a certain appeal, a certain attraction to their customer base. I think the only difference in approach might be where you have very aggressive cross-selling by some banks. Which is purely revenue driven for the bank rather than service and customer relationship driven for the client. And I think hopefully that the Islamic banks try and keep an ethical base, I think that's what really underlines the sharia compliant bank. (EM16T1)

4.4.4. Tier 1 Islamic Banks Are Better in Achieving Required Cross Selling

Not all Islamic banks are equally equipped and capable of doing cross selling. Majority of IFSI lacks cross selling capability. Cross selling capability includes all and everything that enables cross selling. This can include data analytics and data mining for identifying customer propensity for cross selling, or organisational design and support like research and innovation and other investments to enable cross selling efforts. Excerpts from the interview indicate that comparatively among all the Islamic banks only tier 1 Islamic banks are more successful and capable of cross selling within the IFSI. Tier 2 and tier 3 Islamic banks are still struggling to achieve cross selling. The Global Head of Treasury for a tier 1 Islamic bank is quite clear about the

situation of cross selling capabilities within IFSI and he quite clearly explains that Tier 2 and tier 3 banks are still struggling to achieve cross selling:

“I think the tier one banks, Islamic banks are up to date on cross sell, I think it is the tier two banks or much newer Islamic banks, they yet don’t have cross sell culture or setup or the product set available for cross sell, but I think the top banks are conscious” (EM06T1)

A senior manager of a tier 1 Islamic bank explains how effective tier 1 banks are in cross selling as compared to other Islamic banks which take enormous amount of time to process documents whereas his bank takes only few minutes to complete the whole process:

“There are three or four more banks offering a similar product, and no bank processes in less than two to three days. Whereas, we process the same application without any human intervention in less than five minutes. So that shows that we are really ahead in terms of the curve because we are investing into technology, we have a dedicated department called “innovations and process reengineering unit” it is headed by an SVP, he has got about ten people, only thinking, inventing, reinventing, reviewing, revising, fixing and coming up with new ideas to ensure that you know we are if not ahead of market at least at par.” (SM02T1)

Tier 2 and tier 3 banks lacks sophistication for cross selling efforts because of smaller customer base. The ability to achieve cross selling also depends on the size of bank and the size of investments bank makes:

“Particularly for us, we do not go into that level of sophistication even though it will be much more prevalent in retail setting, but on corporate and wholesale setting it is not, so we don't have that sophistication, we have yet to come because we have a very limited number of customers to begin with.” (SM09T2)

CHAPTER 5. DISCUSSION OF FINDINGS

5.1. INTRODUCTION

The previous “Chapter 4” presented the findings of the respondent analysis for emerging themes. This chapter discusses the main findings to the extant research. The first question of “why IFSI practices cross selling” was found to be the collective accumulation of 4 reasons that encouraged, enabled, induced, and motivated cross selling efforts in IFSI. First, the responsive expression for cross selling in regards to positive attitude in IFSI has provided for the correct mindset to acknowledge and encourage the importance for cross selling. Second, the high cognisance for cross selling has enabled for professional understanding of cross selling and provides better disposition for future course of actions. Third, The changing geo-economic factors have induced IFSI to adopt and adapt cross selling initiatives to meet those changes. Fourth, the tangible benefits rooting from the intrinsic qualities of cross selling has motivated IFSI to engage in cross selling, similarly as it has motivated conventional banks.

Exhibit 19: Discussion Guide For Research Findings

(Source: Exhibit developed by author)



The second question of “how IFSI does cross selling” was found to be the interplay of four major findings unfolding CS efforts in IFSI. First, Identifying customers for cross selling targets is still a big challenge in IFSI because of lack of proper data analytics and other imperative IT technology such as CRM. Second, the lack of proper IT sophistication for data mining and CRM capabilities have further feed to the problem of poor customer segmentation for cross selling purposes. Third, besides the shortcomings, there are evidences for cross sell initiatives taken in IFSI, however, these initiatives are very recent and not fully achieved. Fourth, cross selling in IFSI mostly includes all mediums and means of cross selling as already available conventionally, including digital marketing, interactive voice recordings (IVR), call centres, etc. However, it is mostly the tier 1 Islamic banks and few of the tier 2 Islamic banks, which are digitally well equipped for cross selling retail banking products through online banking portals, ATMs, and phone banking apps. Corporate banking mostly employ relationship managers and product managers to do person to person cross selling.

The third question of “how different or similar is IFSI from conventional banks” was found to be overall different in view of four major findings. First, Conventional banks are much better in cross selling because of compatible technology and other support system. They are more experienced in cross selling, more flexible, more standardised, and have far more products to cross sell than Islamic banks. Second, cross selling problems and challenges in IFSI are mostly very different from that of conventional banks and so cross selling in IFSI is not the same as conventional banks in terms of practice. Third, despite being different in cross selling practice, however, objectives for cross selling in IFSI is mostly the same, which includes the reasons for cross selling, namely, customer retention, high revenue, relationship building, etc. Forth, not all Islamic banks have fully achieved cross selling yet. Not even all tier 1 Islamic banks have fully achieved cross selling capabilities let alone the tier 2 and tier 3 Islamic banks. However, only a very few tier 1 Islamic banks have been successful in cross selling efforts so far.

5.2. REASONS FOR CROSS SELLING IN IFSI

The question of “why IFSI practices cross selling” has helped in exposing the true purpose and reasons for cross selling practices in IFSI. The nature of cross selling in the unique context of IFSI has not been previously researched and therefore the

purpose of cross selling in IFSI was also unknown previous to this extant research. As the famous John F Kennedy quote says, “*Efforts and courage are not enough without purpose and direction*” (Kennedy, 1960). It was similarly imperative for this research to first establish the purpose for cross selling before understanding cross selling efforts in IFSI. The research has looked into the logic of this purpose and identified 4 major themes that broadly define the reasons why IFSI practices cross selling:

The first is the attitude towards cross selling itself. This has significantly contributed in establishing the IFSI’s positive outlook towards cross selling, which in itself encourages IFSI to cross sell. However, attitude alone may not amount to a tangible benefit such as high revenue but the cognitive evaluation of those tangible benefits does somewhere shapes perception that enables deliberate action plan to cross selling. This is particularly true in terms of inclusive umbrella definition for attitude as “a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour (Eagly and Chaiken, 1993, p.1; as cited in Gawronski, 2007, p.575). Attitude influences behaviour and guides the decisions for future action plans (Fazio, 1990; Gawronski et al., 2018; Strack and Deutsch, 2004). This study has looked into attitude as the ‘object-evaluation association’, which represents the MODE model for researching implicit attitude (Fazio, 1990). The object-evaluation association looks into how attitude guides behaviour. The study finds that it is the evaluation of cross selling “with some degree of favour” that feeds to the positive attitude for cross selling in IFSI. The evaluation of benefit of an object reflects upon the attitudes relevant to the behavioural decision (Fazio and Towles-Schwen, 1999).

The attitude of IFSI interview respondents when probed to explain how they perceived cross selling was mostly favourable in regards to the ‘object-evaluation association’. One illustrative example would be, for instance, culture. Most IFSI respondents perceived cross selling as an object associated to organisational culture. According to Lok and Crawford (2004) culture in an organisation influences decision making and the thought process that can exert considerable performance gains and commitments. Also, according to Martins and Terblanche (2003) culture is a contributing factor in influencing the degree of innovation and creativity it stimulates within the organisation (Johnson, 1996; Judge et al., 1997; Pienaar, 1994; Shaughnessy, 1988; Tesluk et al., 1997; Tushman and O'Reilly, 1997). The respondents shared almost in the same narrative in regards to cross selling, where they

consider it to be a culture within the IFSI to drive performance gains and creativity. It is an expression that is considered positive in the narrative building for the cross selling importance and mostly the reason and purpose that encourages cross selling.

The study however also found one negative ‘object-evaluation association’ to cross selling as a tool for exploitation. It refers to exploiting customers where cross selling is binding to purchase. It is the creating of an unnecessary need where a customer has to buy the main product with another binding cross sell product(s) bundled together, which is unethical and not-Islamic. Moreover, if the nature of cross selling product is such that it combines two separate contracts in one transaction, or combining of two sales in one contract, or two contracts in one deal is prohibited according to the Prophetic tradition and would be deemed as non-sharia compliant (Arbouna, 2007). This inhibits cross selling of bundle products, which cannot be cross sold separately and are binding sales. This can create a negative attitude towards cross selling and can have future negative implications leading to low cross selling engagement in IFSI. However, it does not necessarily reflect to undermine the importance of cross selling across the whole industry. Collectively by large the attitude towards cross selling in IFSI is positive and dominantly contributes to the reasons for it’s engagement in cross selling practices.

The second major themes that broadly define the reasons for why IFSI practices cross selling is the high cognisance towards cross selling. The study finds high professional understanding of cross selling in IFSI. As previously mentioned, cognisance is different to attitude in respect of professional understanding of cross selling. According to Mitchell et al. (2003), employees are well expected in cognitive terms to be educated and trained in prevailing business practices for creating “work” (some product or service). It is very evidentiary from the findings that the respondents were quite professionally educated in terms of cross selling practices. This does enable proper mindset for cross selling and a reason that enables cross selling in IFSI. However, this study does not provide scale for the efficiency of professional knowledge around cross selling, and specially the training thereof. Further study is needed to empirically quantify the cross selling cognisance in IFSI. It is still not clear in terms of knowledge and training scale how efficient IFSI is in creating cross selling “work”. This study only looks at the overarching cognitive realisation and

understanding at a professional level for cross selling in IFSI, which is dominantly high.

The external factors like asset growth limitations, 2008 economic crisis, and ever changing dynamics of growing market sophistication have collectively interplayed in inducing cross selling practices in IFSI. This is the third major reason this study has found for IFSI to practice cross selling. According to Hasan and Dridi (2011), the 2008 financial crisis directly effected in the decelerating of the asset growth rate in IFSI because of poor financial performances. It exposed the liquidity risk problems facing IFSI, and an urgent need to reform liquidity management risks as the new priority agenda. This is because IFSI has a shallow money market with less participants to contribute in maintaining deposits for high return profit. This led to the decline in revenue generation, as maintaining liquidity buffer for liquidity risk means less lending and less revenue. According to some of the interview respondents, it was only after this crisis that proved to be the turning point for IFSI to seriously consider cross selling as the game-changing alternative and a future strategy. The consciousness for cross selling was already there before the crisis but post crisis made it an essential for survival.

“So cross-selling now is not an option anymore. Like previously people look at it as an option that people to increase the revenue but right now it's a survival” (EM07T1)

Shifting to cross selling would mean generating more revenue from fees and other non-financing services than only relying on lending services. This way cross selling can provide an excellent tool in liquidity risk management. However, there is a need for further study to quantify the effect of cross selling on liquidity risk management in IFSI, and how successfully cross selling is providing financial stability in terms of profitability and asset growth?

The last and the most important theme that broadly defines the reasons why IFSI practices cross selling is the internal factors that motivates IFSI to cross sell. These internal factors are the tangible benefits inherent to cross selling itself. The findings are identical to the prevailing cross selling literature that identifies the benefits of doing cross selling in financial and non-financial industries. IFSI engages in cross selling for the same internal factors conventional banks engage for. Namely, first, it

helps retain customers (Kamakura, Ramaswami, & Srivastava, 1991; Kamakura, Wedel, de Rosa, and Mazzon, 2003; Larivière and Van den Poel, 2005; Thuring, Nielsen, Guillén, and Bolancé, 2012). Second, It helps in increase switching cost (Kamakura et al., 1991; Kamakura et al., 2003; Salazar, 2010; Thuring et al., 2012). Third, It helps in improving market share (Farrell & Klemperer, 2007; Zhao et al., 2013; Kumar, Kee, and Manshor, 2009). Fourth, It helps in improving long term customer relationship (Thuring, Nielsen, Guillén, and Bolancé, 2012; Prasongsukarn, 2009; Zablah, Bellenger, and Johnston, 2004). Fifth, It helps improve profitability for financial institutions (Coyles and Gokey, 2002, 2005; Schmitz et al., 2014).

Cross selling reduces credit risk is yet not fully established in the conventional setting, to the contrary rapid cross selling of retail loans in a volatile economy increases the probability of default (Mahmudi, 2013). However, the emerging theme for cross selling in IFSI suggests that cross selling reduces credit risk as the bank already has the credit history for its existing customers. It is less risky for the banks to cross sell credit based products to its existing customers rather than to strangers with no previous credit history. This however needs to be investigated empirically to quantify the effect of cross selling in reducing credit risk problems in IFSI.

5.2.1. Summary

The perception for cross selling in IFSI is dominantly positive in regards to the ‘object-evaluation association’ that feeds to the positive attitude for cross selling in IFSI. This study also finds one negative attitude towards cross selling that associates cross selling with a tool for exploitation. This can have future negative implications leading to low cross selling engagement in IFSI.

IFSI has high cognisance towards cross selling. The study finds high professional understanding of cross selling in IFSI. However, this study does not provide quantitative scale for the efficiency of professional knowledge around cross selling. Further study is needed to empirically quantify the cross selling cognisance in IFSI. It is still not clear in terms of knowledge and training scale how efficient IFSI is in creating cross selling “work”.

The external factors like asset growth limitations, 2008 economic crisis, and ever changing dynamics of growing market sophistication have collectively interplayed in inducing cross selling practices in IFSI.

IFSI engages in cross selling for the same internal factors conventional banks engage for, namely, gaining customer knowledge, high customer retention, loyalty, less attrition, high revenue, low acquisition cost, and increasing product awareness. This is with exception to less credit risk. Cross selling reduces credit risk is yet not fully established in the conventional setting. It is with exception to the conventional banks that IFSI suggests that cross selling reduces credit risk. There is a need for further study to quantify the effect of cross selling on liquidity risk management in IFSI, and how successfully cross selling is providing financial stability in terms of profitability and asset growth.

5.3 HOW IFSI DOES CROSS SELLING

The question ‘how IFSI does cross selling?’ has helped in explaining cross selling efforts and practice in IFSI. There are four emerging themes that collectively explain the practice of cross selling and efforts made into achieving cross selling. The first theme discusses the mechanism that is imperative for identifying customer propensity for targeting potential customers for cross selling efforts. This mechanism consist of CRM capabilities that provides for data analytics done through data mining for identifying customer propensity and customer knowledge creation. It develops customer profile and segment them according to their product needs and customer profitability (Khodakarami and Chan, 2014).

There are significant studies that have examined CRM affect on improved bank performances and profitability in conventional banks (Becker et al., 2009; Chang et al., 2010; Haislip and Richardson, 2017; Tornjanski et al., 2017) CRM system has a 16% growing rate globally, and in 2017 CRM amounted to \$39.5 billion in revenue worldwide (Gartner, 2018). However it is still not clear how many conventional banks worldwide have completely switched to (or fully implemented) CRM support let alone Islamic banks which are considerably far behind in CRM implementation when compared to conventional banks. A single study by Ahmed (2016) was conducted in Egypt on the scale of CRM implementation in Islamic banks. It revealed that only 8.96% Islamic banks in Egypt have fully adopted to CRM systems and the rest of the Islamic banks have partially adopted (33.42 %), and limited application (57.62%) of CRM systems. The study was country specific and so does not represent the entire IFSI position in regards to the scale of CRM implementation.

Although this study finds substantial interview references to CRM and data mining practices in IFSI for identifying customer propensity for cross selling purpose, however, the efficiency and quantifiable scale of CRM implementation and data mining mechanism in IFSI is unknown. The study finds that identifying customer propensity for cross selling is still not fully achieved except for very few Islamic banks that are in Tier 1 category. Identifying customers for cross selling targets is still a big challenge in IFSI because of lack of proper data analytics and other imperative IT enabled CRM technology. This can be either because of lapses originating from organisational flaws of Islamic banks in successfully integrating CRM framework inhibiting the overall performance mechanism of CRM functions. Or, the IFSI staff is inadequate and undertrained to use CRM systems, and not CRM ready. This study identifies the need to further study the scale of full CRM implementation in IFSI and the problems inhibiting its full potential.

Previous study on CRM implementation in Islamic banks in Egypt suggest positive customer-based profit performance as a result of efficiently segmenting profitable customers from unprofitable customers (Ahmed, 2016). However, the second emerging theme of this study reveals that customer segmentation in IFSI for cross selling purpose is still very basic and at a rudimentary level. The reason is the lack of proper IT enabled CRM capabilities which are yet not fully available in all of the tier 1 Islamic banks let alone tier 2 and 3 Islamic banks. The study finds CRM as a new trend in Islamic banks which is not fully CRM ready yet. As a result customer segmentation for cross selling purpose is yet not fully advanced and lack data analytics for proper customer propensity identification and segmentation. Although there are respondent claims that suggest proper customer segmentation in IFSI for cross selling purposes, however, there are also other contradicting claims from other respondents that suggest otherwise and confess of employing basic Microsoft Excel level for doing the job.

As mentioned in the findings chapter previously, the Executive Vice President of a tier 1 Islamic bank (EM07T1) when asked about the segmentation for cross selling in IFSI responded in confirmation to the practice. However, he asserted that it was on a very basic level and that no advance data mining sciences were applied in extracting the data for segmenting customers for cross selling purposes. He argued that it is only reasonable to introduce such technology when there is enough products for the

customers to offer as cross selling. He further argued that no Islamic bank or any IFSI is doing advance data mining sciences for customer segmentation purposes except for a single bank that is in the testing phase of the technology.

The study also finds that there is a certain Islamic bank that does not practice customer segmentation at all for the purpose of cross selling. The bank attempts to cross sell irrespective of segmentation, as it believes that all customers are potentials for cross selling. This can have negative implication for future cross selling in IFSI as it proposes unsolicited cross selling which can bother and frustrate customers from being offered too many and unwanted products. This also suggests that cross selling has not been completely implemented as a strategy in some of the Islamic banks and is being randomly practiced without proper cross selling strategy implementation.

Unlike many conventional banks that have implemented predictive cross selling models for customer specific needs (Jarrar and Neely, 2002; Kamakura, 2008; Kamakura et al., 2004; Kamakura et al., 1991; Kamakura et al., 2003; Knott et al., 2002; Salazar, 2010), Islamic banks do not seem to follow any predictive models for cross selling purpose as of now. Although there is no substantial proof to support this claim but lack of effective data mining and CRM capability provides for enough circumstantial references to suggest for the same. A further study is required to establish if IFSI employs predictive cross selling models for predicting customer propensity for cross selling needs of their customers.

This study overall suggest there are some claims to the overall practice of customer segmentation for cross selling purposes but there is no substantial reference to prove that it is well equipped and well achieved in driving effective cross selling gains. It is rather to the contrary that suggest customer segmentation practice in IFSI is on a very basic level that does not involve advance data mining sciences or any advance IT enabled CRM technology for the purpose of cross selling.

The third emerging theme (organising theme) in the findings chapter that elaborates how IFSI does cross selling identifies and acknowledges the efforts and practices IFSI has initiated so far in achieving cross selling. As previously mentioned in the findings chapter, CRM initiatives and customer segmentation for cross selling purpose constitute an imperative and primary role in cross selling efforts and practices, however, they have been discussed as separate from here previously above. This is

because they constitute mandatory role without which cross selling cannot be achieved adequately. The other cross selling efforts which are to follow here, although equally significant for cross selling, however, they form secondary importance because of not being a direct component of cross selling efforts but are considered as big contributors.

1) This study finds the initiative to introduce more often used conventional banking terms for cross selling Islamic products for the ease of understanding and use, rather than difficult and hard to understand Arabic terminologies. Second, cross selling third party products is nothing new in conventional banks. Most banks cross sell third party products on a fee basis. Third party companies look for banking institutions to distribute their services and products because of banks having a wider outreach to customers. A good example can be insurance firms collaborating with banks to sell their insurance products on banking platform (Mansoor, 2016; Peng et al., 2017; Robson et al., 2011; Sharma, 2017). And, mutual fund companies tying up with commercial banks to sell securities on banking platform (Ferreira et al., 2018; Golez and Marin, 2015; Yanti et al., 2018).

2) There are some references to third party cross selling in IFSI (Mansoor, 2016; Yanti et al., 2018), and some Islamic banks have admitted to having third party partnerships for cross selling purposes. This study confirms IFSI initiating and practicing third party cross selling of investment solutions and car loans. IFSI seems to be adopting cross partnership strategies for cross selling initiatives. However it is not known if all Islamic banks are practicing this strategy for cross selling or just few Islamic banks. So far it is only the tier 1 Islamic banks that have admitted to this as a cross selling initiative.

3) There are references to interview respondents that are showing growing aspiration towards increasing cross selling ratio in IFSI. However, there is no empirical study that should substantiate actual findings on the exact cross selling ratio per customer in IFSI. Although conventional banks themselves differ in actual cross selling ratio but there is still a lot of research being carried out in the conventional banking industry regarding cross selling progress, which is almost nil in IFSI. According to the RFI Group Research (2016) the global average cross selling ratio is 7.4 products per customer, which varies greatly by country. And the same study also reveals that there

is a high cross selling ratio correlation with high digital engagement banking. High digitally engaged customer has 4.4 products per customer as compared to only 2.7 products per customer for digitally unengaged customer (Pilcher, 2016). This simply means there will be increased potential for high cross selling ratio as much the banking platform is digital and advanced.

There is however, no empirical study to suggest any such findings in the IFSI context. This study was not able to get substantial findings in regards to existing cross selling ratio in the IFSI except for a few. This is mostly because respondents either themselves do not know the exact cross selling ratio in their banks, or they shy away from giving any details. Some clearly denied giving any details as per their policy rule. The ones who did responded differed regarding the actual figure. An empirical study is needed in IFSI to actually measure cross selling performance in regards to cross selling ratio per customer in each banking type.

The absence of clear figure on cross selling ratio makes it impossible to compare the actual performance scale of cross selling efforts in IFSI from that of conventional banks. Also there is no empirical study to suggest cross selling ratio correlation to high and low digital engagement banking in IFSI. IFSI is yet not technically very advanced in regards to providing IT sophistication except for a handful of Islamic banks in tier 1 category. Until now there is no known study to suggest that high digitally engaged customers in IFSI tend to have more products from the same bank. This study proposes the need to investigate future cross selling prospects for Islamic banks in application to customer's high digital engagement for future implications.

4) This study finds very few claims to incentivising cross sell initiatives in IFSI. Tier 1 category Islamic banks are quite audible to incentivising cross selling efforts. However, Tier 2 and 3 banks although admitting to the importance of incentivising cross selling efforts have yet not fully established or confirmed their position on the same. There are conflicting views as to how much of incentive driven is cross selling effort in IFSI? In conventional banking setting, according to Malms (2012) 58% of failures of cross selling happens due to sales-people and 26% because of sales-managers (Schmitz et al., 2014). This includes both Insurance companies and banks. There are many variables attached to sales-people and sales-managers failing to perform required cross selling, however, a significant reason to the lower cross selling

performance is directly associated to lack of leadership that incentivise cross selling performance (Schmitz et al., 2014). This study suggests there is a need to empirically investigate and quantify the impact of incentives on cross selling performance in IFSI.

This study also finds that cross selling is done more on a personal human effort rather than automation in IFSI. This would mean that cross selling depends more on a personal human effort by ways of personally approaching the customers rather than automation where cross selling happens automatically through IT enabled functions like CRM enabled automated emails. This further indicates to the lack of proper established CRM technology in IFSI that could function automatic cross selling more effectively in accordance to customer propensity. Since cross selling in IFSI is less automated and relying more on sales-force, there is further need to investigate sales-force in respect of cross selling performances and factors that are inhibiting those performances.

5) This study confirms the intra-departmental initiatives for cross selling efforts within the IFSI and that departments across the bank integrate for cross selling purpose. However, this requires IT sophistication for complex data integration across different departments, which is yet not fully available to IFSI. Although there is much claim to practicing intra-departmental cross selling in Islamic banks across all the tiers but the method, efficiency, and performance is unknown. Intra-department cross selling has not been much studied either in IFSI or conventional banks. There is not much detail regarding how exactly cross selling happens in intra-department cross selling initiative in either conventional banks or IFSI. It is still an underdeveloped study and requires more academic exploration. Previous studies on intra-departmental or organisational communication has so far mostly looked into behavioural effects of intra-department communications (Tang and Gao, 2012). The closest anyone so far has studied intra-departmental communication in regards to cross selling is Madhani (2016). He argues that intra-departmental engagement provides superior consumer experience that ultimately translates to customer satisfaction making customer more receptive to cross-selling efforts. However, no study has so far directly looked into intra-departmental cross selling or how it effects the whole cross selling experience. This study suggests further investigation into quantifying intra-departmental efforts on cross selling success.

6) This study finds there are efforts being made to advance and upgrade technology for cross selling initiatives. This is mostly true for tier 1 Islamic banks with very little exception to tier 2 Islamic banks. Tier 1 Islamic banks are investing heavily into innovating IT technology for Islamic banking platform, mostly CRM technology. However, there is still much to be explored in regards to the role of IT for cross selling initiatives within IFSI. Although there are interview excerpts informing of the initiatives taken within the IFSI to equip Islamic Banks with latest technology for cross selling efforts but it is still not very substantial in establishing its performance effect on cross selling.

IFSI is still very young and so not yet up to the IT budget spending of big conventional banks, which is projected \$272.6 Billion globally by year 2019 (Garcia, 2018). Investing and upgrading IT and IT operation expenses amounts up to 25% of a bank's [conventional big banks] annual budget, which was for example about \$10.8 billion for JPMorgan in year 2018 (Euromoney, 2017). If it is to be assumed that top tier 1 Islamic banks also are investing 25% of its total operation expenses on IT and IT related costs (referring to the annual report of Bank A, 2017), it would not even amount to 3% of JPMorgan's total IT specific budget. The amount of payroll of IT employees in Goldman Sachs equals to the payroll of Facebook and more than the entire payroll combined of Twitter and LinkedIn (Euromoney, 2017).

There are claims for great investments being made in IFSI for research and development programs in tier 1 Islamic banks to support digital cross selling. Also there are efforts being made to convert and customise the existing conventional banking technology to create their own banking platforms to suit Islamic banking structure. However, conventionally it is still far behind and it will take some time before IFSI can completely become cross sell ready in terms of IT where data mining, customer segmentation, intra-departmental cross selling can all function automatically and more effectively without much human effort.

7) This study finds efforts for monitoring and benchmarking cross selling activities in IFSI. The study finds there are initiatives taken to monitor and benchmark cross selling progress by way of regular audits and checks which are reviewed on a monthly basis. However, the method and process for monitoring and benchmarking cross selling is unknown. Not only it is unknown in the IFSI but also there is no available

study to suggest the same in big conventional banks. There is a need to study monitoring and benchmarking methods for cross selling in both conventional banks and IFSI.

8) Smaller Islamic banks focus more on acquiring new customers, New To Bank (NTB) customers, to build their customer base and account books and focus less on cross selling because of limited capabilities. This is however country specific and so far only true in the context of UAE. UAE is an expatriate driven market with influx of rising foreign workers coming and working in the UAE. The Islamic banks have better opportunity to cross sell upfront to these foreign customers as they have basic financial needs from housing finance to car loans, etc. However, it is only the big Islamic banks that do cross sell to both NTB customers and existing customers because of their size and large portfolio of product suits. Smaller Islamic banks mostly focus on NTB customers and try cross sell upfront where possible taking certain credit risk as they lack the credit history for new customers.

9) This study finds that although IFSI mostly is in transition phase switching from product centric marketing to relationship marketing, however, this transition is slow and yet to complete. IFSI is still somewhere product oriented and relying on being “Islamic” as a customer retention and acquisition strategy to attract Muslim customers. IFSI is slowly developing understanding of customer needs which is vital for identifying cross selling opportunities. However, an investigation is needed to empirically assess the role of relationship marketing on cross selling performance within the IFSI. The causal relationship and correlation of the two is unknown in unique context of IFSI and therefore it is difficult to quantify the actual effect of relationship marketing on cross selling performance in IFSI. There is significant literature on the effect of relationship marketing on customer loyalty, customer retention, and customer satisfaction, which is an essential element of cross selling (Janahi and Al-Mubarak, 2017; Kashif et al., 2015; Salleh, 2016) however, there is a vacuum of empirical study that quantifies the impact of relationship marketing on cross selling in IFSI.

10) There is a substantial amount of acknowledgement within the IFSI for the support that is being extended by the top management in regards to cross selling initiatives. Leadership role is vital in facilitating organisational change (Waddell and Sohal,

1998). The top management engagement in pitching cross selling initiative has increased the overall cross selling demand in all departments with increase in intra-department cross selling in IFSI. However, this is so far only evident for tier 1 and very few tier 2 Islamic banks. There is evidence from respondent reports that shows that there is a shared sense of importance for cross selling across all the banking team and hierarchy in most of the tier 1 and tier 2 Islamic banks. Top management has been successfully creating cross selling culture to promote cross selling initiatives.

The final emerging theme in regards to the cross selling efforts is the cross selling medium through which IFSI cross sell. IFSI mostly employs all mediums and means of cross selling as already available conventionally. This includes IT digital marketing, call centres and IVRs, and relationship managers. 20% of personal finance sales in the retail sector of tier 1 Islamic banks are attributed to digital marketing. This consist of all CRM based IT platforms including ATMs, online banking portals, electronic statements, e-mails, mobile banking app, and SMS. However, it is mostly the tier 1 Islamic banks and few of the tier 2 Islamic banks, which are digitally well equipped for cross selling retail banking products. As previously mentioned, IFSI is still lagging behind sophisticated IT technology (CRM) and so digital marketing is yet not fully achieved in IFSI. There are significant studies that have proved the impact of IT sophistications like CRM on increased sales, better organizational performance, creating opportunity for cross selling (Rodriguez et al., 2015; Rodriguez et al., 2018). However, it is yet not empirically known how much does the IT digital marketing in IFSI has specifically helped in promoting cross selling activity. There is a need to investigate the impact of IT digital marketing on cross selling gains in IFSI.

This study also finds the employment of call centres and IVRs for cross selling retail banking products in IFSI. However, on the corporate side of banking cross selling is more personal and is carried out on a relationship basis. It is mostly the duty of relationship manager to pitch for cross selling initiatives.

5.3.1 Summary

The study finds that identifying customer propensity for cross selling is still not fully achieved because of lack of proper data analytics and other imperative IT enabled CRM technology except for very few Islamic banks that are in Tier 1 category. CRM capabilities are yet not fully available to all Islamic banks in tier 1 category let alone

tier 2 and 3 Islamic banks. The study finds CRM as a new trend in Islamic banks, which is not fully CRM ready yet. This identifies the need to further study the scale of CRM implementation in IFSI and the problems inhibiting its full potential.

This study reveals that customer segmentation in IFSI for cross selling purpose is still very basic as a whole and lack data analytics. No advance data mining sciences are being applied in extracting the data for segmenting customers for cross selling purposes except for a single bank that is in the testing phase of the technology. Also Cross selling has not been completely implemented as a strategy in some of the tier 2 and tier 3 Islamic banks yet and is being randomly practiced without proper cross selling strategy implementation. So far only tier 1 Islamic banks are adopting cross partnership strategies for cross selling initiatives and practicing third party cross selling of investment solutions and car loans.

The actual cross selling ratio in IFSI differ because respondents either themselves do not know the exact cross selling ratio in their banks, or they shy away from giving any details. An empirical study is needed in IFSI to actually measure cross selling performance in regards to cross selling ratio in each banking type. This study also suggest to investigate the impact of digital engagement for banking on cross selling ratio for future implications.

This study finds very few claims to incentivising cross sell initiatives in IFSI and only tier 1 Islamic banks openly admits to incentivising cross selling efforts. Tier 2 and tier 3 Islamic banks although admitting to the importance of incentivising cross selling efforts have yet not fully confirmed their position on the same. This study suggests there is a need to empirically investigate and quantify the impact of incentives on cross selling performance in IFSI. This is also because the findings reveal that cross selling in IFSI is generally more on a personal human effort rather than automation where cross selling happens automatically through IT enabled functions like CRM.

This study finds the intra-departmental initiatives for cross selling efforts within the IFSI but the method, efficiency, performance, and IT sophistication for complex data integration for intra-departmental cross selling is unknown. No study has so far directly looked into intra-departmental cross selling in IFSI or how it affects the whole cross selling experience. This study suggests further investigation into

quantifying the impact of departmental integration (intra-department) on cross selling efforts.

Tier 1 Islamic banks are investing heavily into innovating IT technology for Islamic banking platform, mostly CRM technology. 20% of personal finance sales in the retail sector of tier 1 Islamic banks are attributed to digital marketing. However, there is a need to investigate the impact of IT digital marketing on cross selling gains in IFSI. The study finds there are initiatives taken in certain IFSI, mostly tier 1 Islamic banks, to monitor and benchmark cross selling progress by way of regular audits and checks which are reviewed on a monthly basis.

There is a vacuum of empirical study that quantifies the impact of relationship marketing on cross selling in IFSI. An investigation is needed to empirically assess the role of relationship marketing on cross selling performance within the IFSI. IFSI is still somewhere product oriented and relying on being “Islamic” as a customer retention and acquisition strategy to attract Muslim customers. Smaller Islamic banks focus more on acquiring new customers, New To Bank (NTB) customers, to build their customer base and account books and focus less on cross selling because of limited capabilities.

The top management engagement in pitching cross selling initiative has increased the overall cross selling demand in all departments and has been successfully creating cross selling culture to promote cross selling. There is a shared sense of importance for cross selling across all the banking team and hierarchy in most of the tier 1 and tier 2 Islamic banks. And finally, IFSI mostly employs all mediums and means of cross selling as already available conventionally with exception of quantity and quality of those means.

5.4 HOW IS CROSS SELLING IN IFSI COMPARED TO CONVENTIONAL BANKS

The objective of looking into the similarities and differences of cross selling in IFSI from that of conventional banks has help identify four key findings emerging as major themes. The first theme or the first key finding reveals that although there is a significant development in regards to cross selling in IFSI but is still far behind conventional banks when it comes to cross selling. This is mainly because big conventional banks are far better equipped with latest technology, have more

experience in cross selling, are more flexible, more standardised, and have a bigger portfolio of financial products for cross selling.

More specific to technology, this study finds that IFSI lacks advance IT systems that are mainly design to cater and function for conventional banking needs. It also lacks professionals with technical skill that can convert the conventional system to cater for IFSI specific needs. The executive management mostly associate this problem with lack of budget for fintech (financial technology) solutions and for lack of research and development.

IFSI lacks the flexibility to adopt these advance IT solutions as it does not comply with sharia requirements and needs to be professionally customised for specific sharia needs. Development of financial technology solutions for Islamic banking is very recent and still not fully established. According to Rusydiana (2018), developing fintech (financial technology) for IFSI is quite problematic as it lack policy framework to guide fintech work process because of lack of sharia and policy standardisation. Although fintech for services based banking is sharia neutral and applicable without any alterations, however, financing and investment platforms needs to comply to sharia standards (GIFR, 2017), which itself differs in different jurisdictions and not completely standardised. Conventional banks on the other hand do not face similar problems that of IFSI. Big conventional banks are more experienced and flexible adapting to fintech revolution since early 2000s (GIFR, 2017). This makes them more mature not only in cross selling but also in adapting to technology change that makes cross selling more proficient and prominent in todays banking age.

This study finds that apart from being lagging behind in technology, IFSI is far less flexible in cross selling in terms of easy processing. Certain product structures require added documentation and structure process that mostly forms a prerequisite condition to qualify as being sharia compliant. This considerably restricts the ease of processing work reducing cross selling efforts by up to 80%. Further adding to this loss is the lack of product suites available in IFSI to replace conventional banking products that makes cross selling opportunity even more less in IFSI when compared to conventional banks.

However, one of the biggest issues that separates cross selling in IFSI from conventional banks is the lack of standardisation affecting cross selling transactions that takes considerable amount of time to execute, whereas, in conventional banks this problem is almost non existing. As previously discussed in the findings chapter, IFSI as a whole suffer from conflicting legal opinions rising from the differences of opinions amongst sharia scholars. Islamic banks offering different products are sometimes viewed as not fully sharia compliant in opinion of sharia boards of other Islamic banks. Not all Islamic banks share the same policy or standard procedure for a certain product and usually differ in certain details. This has to some extent limited the scale of cross selling possibilities apart from other operational and banking risks. However, the same is not true for conventional banks as they are more standardised without having to bother for religious compliance issues with varying religious opinions. This allows conventional banks for an edge over IFSI to cross sell without much restriction.

The second emerging theme or the key finding in this section pertaining to the similarities and differences between IFSI and conventional banks are the challenges and problems facing IFSI in regards to cross selling. These challenges and problems are mostly inherent and intrinsic to the nature of IFSI which either limits cross selling efforts or inhibit them completely. Many of these challenges have been already mentioned previously above elaborating the reasons why IFSI lags behind conventional banks. This includes the previous discussion of advance technology, flexibility, standardisation, and product suites. However, that was more specific to the reasons that explained why conventional banks are way ahead of IFSI and why IFSI lags behind. The following context however, is more specific to discussing the causes that limits cross selling efforts in IFSI and so will repeat some from the previous discussion like technology, standardisation, etc. This is also because those previous discussions not only separate IFSI from conventional banks but also identify as challenges and problems facing IFSI.

The first of many problems that this study finds regarding the challenges facing IFSI in regards to cross selling is the belief problem. Majority of the Muslim countries with Islamic banks have a very low wallet share of the Muslim population. This study finds interview excerpts that identify the problem of cross selling in IFSI with low wallet share of customers, specially Muslims, because of belief problem. The study finds

that there is misunderstanding among some Muslims who believe that Islamic banks are no different from conventional banks and that they are just wearing religious cloak of “Islamic Bank” as a cover to do business as usual. This is in accordance to a previous study done by Dar (2005) where majority of Muslims surveyed in the UK (about 83%) did not believe Islamic banking products to be Islamic (Coolen-Maturi, 2013).

The study finds that this problem roots from the people’s unawareness of Islamic finance. The masses generally do not know how to distinguish the philosophical concepts of *riba* (interest) from profit. Banking literacy for IFSI among the common masses is very low. This has contributed to people less understanding and less believing in the IFSI. This is effecting the cross selling efforts in the IFSI. Previous studies have also shown that awareness, understanding, and perception of Islamic banking is positively related to effect the consumption of Islamic banking products and services (Murad et al., 2016). Therefore, proper awareness and understanding of Islamic banking are crucial for successful cross selling of Islamic banking products and services. The study finds there are not much efforts being made in terms of awareness programs and campaign to educate people about Islamic finance. This also questions the promotional and marketing capabilities of Islamic banks in failing to create proper awareness and understanding of Islamic finance.

The problem of lack of flexibility in IFSI has been previously discussed above, however, here it will be discussed more specifically in context of sharia and how it causes challenge for cross selling efforts. According to the interview excerpts, the physical signature in murabaha transaction reduces cross selling effort by up to 80%. By sharia standards IFSI cannot exercise pre-consent liberty where cross selling can be done on a pre-consent basis. IFSI needs to take a positive consent for every transaction, in some cases physical signature, before it can cross sell. This affects the magnitude of cross selling by increasing the transaction processing time and limits future growth opportunities.

The prerequisite of sharia requirements makes the process lengthy and so is argued as a sharia specific issue more than an administrative issue. However, it is still not clear whether it is the lack of innovation that causes administrative failure in resolving the process issue or is it an inherent problem of sharia that inhibits all sorts of innovation

in process design. However, this study does confirm that there are sharia specific issues that do affect cross selling efforts in IFSI. Sharia related issues in cross selling are more challenging for IFSI as it would mostly require them to change which in itself is a challenge. To change sharia specific requirements would need unanimous approval from sharia board which itself has certain limitations when it comes to interpreting primary religious texts that forms the basis of Islamic banking.

This further gives rise to professional conflict of objectives between profit growth versus sharia ethics, between business development and sharia board. The lack of unanimity between the two causes loss for effective and efficient cross selling initiatives. However, there is no known study to suggest the actual impact of this professional conflict between business development and Sharia boards on cross selling efforts. This study suggests for future studies to investigate intra-departmental relationships and how they impact cross selling within IFSI.

Sharia and regulatory issues have further made it difficult to make standard policies for IFSI. The lack of standardisation as previously mentioned, has limited cross selling efforts and has made it further inconvenient for the IFSI to cross sell. It was previously discussed that conflicting legal opinions of sharia scholars have given rise to different sharia boards making Islamic banking even more fragmented affecting product development, procedures and operations. This is one another big challenge and a problem facing IFSI that inhibits cross selling. There are few previous studies that have looked into the problems of credit risks and market risks facing Islamic banks due to the lack of standardisation (Ahmed et al., 2017; Ariss and Sarriddine, 2007). However, there is no known study that has directly looked into the effect of standardisation issues on cross selling in IFSI. This study identifies that lack of standardisation in IFSI has impacted cross selling in a negative way by means of varying standards and procedures.

Similarly regulatory issues, in specific reference to UAE, has been constantly changing due to the fast changing economic landscape and so have kept the banks constantly consumed in regulatory compliance issues. This has somewhere removed the primary focus of cross selling in banks, specially the new Islamic banks. Senior managers of Islamic banks believe this to be one of the many reasons that limits cross selling efforts in IFSI. The illustrative example would be the new credit regulation

that puts a 50% leverage cap on credit borrowing for total earnings. This can be argued as a prudent step on the part of the regulation to avoid debt overburden, however, at the same token this would limit cross selling of debt instrument such as credit cards, mortgages, car loans and personal finance. There is a further need to investigate how economic regulatory policies effect cross selling opportunities in IFSI.

The accumulation of the above mentioned issues have further made product development a further challenge in IFSI, which ultimately effects cross selling efforts. For instance, sharia restricts variable rates on personal finance and other murabaha products making the bank more vulnerable to the market's fluctuating risks. This has reduced the risk appetite and has limit the product development in IFSI further limiting an already deficit portfolio of Islamic products to cross sell.

The other variable that further adds to the problem of product development for cross selling is the lack of professionals who understand both technical side of the banking operating systems and also sharia. This confirms to the previous findings of Ahmed (2011, p.224):

“The lack of an appropriate Islamic knowledge base, the tacit conventional banking skills of the majority Islamic bankers and the use of eclectic ijihad are reinforcing the replication of existing conventional products”

Professionals with knowledge of advance banking and product designing mostly come from conventional banking industry and lack proper knowledge of sharia and sharia instruments. On the other hand, professionals with deep sharia knowledge lack professional banking skills. This adds to the paucity of required skills in IFSI and somewhere down the line effects product development and ultimately cross selling.

This study finds that tier 2 and tier 3 Islamic banks are most affected by these challenges and the overall cross selling in IFSI does not exceed more than 20%. IFSI has still not achieved cross selling across all its different banking sectors including retail, corporate, treasury, and wholesale. This indicates to the lack of intra-department cross selling efforts in the IFSI. Not all departments are equally equipped with all financial solutions needed for intra-department cross selling. Customer demands for intra-department product needs are still not completely met and results in

customer finding their financial solutions elsewhere, mostly with conventional. As previously mentioned, only 5% of total cross sell business is coming from the 80% of the wholesale banking customers because their bank does not have financial solutions to provide them for their financial needs. The lack of product suites and lack of intra-departmental integration in IFSI makes the cross selling efforts futile.

Although there is enough interview data to suggest that IFSI has and is taking quite a lot of cross selling initiatives, however, there are many interview excerpts that still suggests cross selling efforts in IFSI is quite low than expected. There is also not much substance to support that IFSI is active in marketing for cross selling efforts. IFSI as a whole has still not achieved cross selling as a priority although there are efforts being made throughout the industry to bring priority attention to cross selling and the efforts thereof but it still lacks overall conviction. The most common recurring argument given for this shortcoming is that IFSI is still in its infancy stage. The argument narrative is mostly based on prioritising and consolidating its customer base before advancing to cross selling stage. IFSI is comparatively very recent to conventional banking and therefore has been much consumed with other priorities. Although Tier 1 Islamic banks have come up quite progressively in regards to cross selling but a majority of the Islamic banks are still believe to be evolving in regards to cross selling.

This study finds that irrespective of the differences and the challenges facing IFSI in cross selling, there is a consensus on cross selling objectives that it unanimously shares with conventional banks. These objectives are the same as previously mentioned in chapter 4 'Internal Factors Motivates CS in IFSI'. IFSI does cross selling for the same reasons conventional banks do cross selling for, namely, customer retention, low acquisition cost, building customer relationship, and high revenue. The only significant difference is the IFSI capability to do cross selling and the ideological differences that effects cross selling efforts. The differences in cross selling between IFSI and conventional banks is mostly due to different approach because of policy framework and different regulatory standards but cross selling itself as a concept and philosophy largely remains the same for both IFSI and conventional.

This is also true for the most tools employed for doing cross selling such as IT enabled fintech like CRMs, call centres, IVRs, and relationship managers. However,

they hugely differ in the quantity and quality of these tools. IFSI although sharing similar medium for cross selling purpose is still not completely cross sell ready because of the other aforementioned problems and challenges influencing its overall function. It is only the tier 1 Islamic banks that has been more successful and capable so far in achieving cross selling amongst other tier Islamic banks. Although tier 2 and tier 3 Islamic banks constitutes big majority of total Islamic banks in the UAE, however, they are not that much big in size and so lacks the customer base and sophistication for efficient cross selling. Overall IFSI as a whole is still far behind conventional banks in regards to cross selling. IFSI would need more advance IT sophistications, more standardisation of regulatory policies, more standardisation of products, product development, fast processing of contracts, and viable solutions for sharia related issues before it can really achieve competitive cross selling.

5.4.1 Summary

This study finds that IFSI lacks advance IT systems that are mainly design to cater and function for conventional banking needs. It also lacks professionals with technical skill that can convert the conventional system to cater for IFSI specific needs. Development of financial technology solutions for Islamic banking is very recent and still not fully established. Developing fintech (financial technology) for IFSI is quite problematic as it lack policy framework to guide fintech work process because of lack of sharia and policy standardisation. It lacks the flexibility to adopt advance conventional IT solutions as it does not comply with sharia requirements and requires complex customisation for specific sharia needs.

Sharia inherent issues affects cross selling by increasing the transaction processing time and in some places inhibits or limits cross selling completely. It makes cross selling far less flexible in terms of easy processing as certain products require added documentation as a prerequisite condition to qualify as being sharia compliant. Sharia inherent issues makes standardisation further difficult in IFSI as it is subjective to religious interpretation by different scholars. Conflicting legal opinions of sharia scholars have given rise to different sharia boards making Islamic banking even more fragmented affecting product development, procedures and operations. This study identifies lack of standardisation in IFSI as one of the major reasons causing inhibition to cross selling opportunities. In conventional banks this problem is almost non existing.

The study finds that there is a persisting belief problem among some Muslims that is hindering them from using Islamic banks affecting future opportunities for IFSI to cross sell. Banking literacy for IFSI among the common masses is very low resulting in people less understanding and less believing in the IFSI. The study finds there are not much efforts being made in terms of awareness programs and campaign to educate people about Islamic finance.

Customer demands for intra-departmental product needs are still not completely met and results in customer finding their financial solutions elsewhere, mostly with conventional. Not all departments are equally equipped with all financial solutions needed for intra-departmental cross selling to replace conventional banking products. The lack of product suites and lack of intra-departmental integration in IFSI makes the cross selling efforts futile. The lack of product development and innovation is responsible to an extent. The study reveals that product development for cross selling in IFSI is a challenge because of sharia inherent risks that exposes Islamic banks to fluctuating market risks apart from other factors. This study suggests for future studies to investigate intra-departmental relationships and how they impact cross selling within IFSI.

Cross selling efforts in IFSI is quite low than expected. IFSI is still in its infancy stage and therefore has been much consumed with other priorities. IFSI as a whole has still not achieved cross selling as a priority and still lacks overall conviction. Overall cross selling in IFSI does not exceed more than 20%. Although Tier 1 Islamic banks have come up quite progressively in regards to cross selling but a majority of the Islamic banks are still evolving. Tier 2 and tier 3 Islamic banks are not much big in size and so lacks the customer base and sophistication for efficient cross selling. In specific regards to UAE, the government sponsored credit regulation has further downsized cross selling opportunities for IFSI by introducing a 50% leverage cap on credit borrowing for total earnings. This will affect the cross selling of credit products.

Finally, the cross selling difference between IFSI and conventional banks arise from the capability to do cross selling and the ideological differences that effects cross selling efforts. Overall, Cross selling as a concept and a philosophy largely remains the same for both IFSI and conventional, as well as objectives for cross selling, they

cross sell for the same reasons. Tools for cross selling and cross selling medium employed in both IFSI and conventional banks are also the same, however, they hugely differ in the quantity and quality of these tools.

5.4 EMERGING CONCEPTUAL FRAMEWORK FOR MANAGERIAL IMPLICATION

In respect to the research findings and discussion this study further proposes for a conceptual framework for cross selling in IFSI. This framework suggests the essential elements that are necessary for managerial implications for future cross selling implementation in context to IFSI. Conceptual framework “relates to concepts, empirical research, and relevant theories to advance and systematize knowledge about related concepts or issues [...] Such a framework would help researchers define the concept, map the research terrain or conceptual scope, systematize relations among concepts, and identify gaps in literature” (Rocco and Plakhotnik, 2009, p. 128).

This research proposes the conceptual framework on the basis of its findings, which is truly data informed. This framework is the result of the data findings through multiple interviews of executive and senior managers in IFSI (please see Exhibit 3 “Developing of Conceptual Framework” at p.13). The emerging data themes collated to suggest key issues in IFSI and future recommendations for successful cross selling in IFSI. The emerging themes suggests a systematic relationship of concepts that are essential in order to achieve cross selling, especially in the unique context of IFSI. The purpose of this proposed conceptual framework is to inform of the fundamental macro elements necessary for achieving cross selling in IFSI in future. This Framework would be helpful for future managers to build upon the extant concept of cross selling in IFSI on a macro scale.

For future research implications this framework proposes an empirical testing and quantifying of relationships of the elements mentioned in the exhibit 20. This would help empirically establish the relationships of elements that interplay to influence cross selling efforts in IFSI.

The framework proposes 3 main element and 10 sub-elements (see Exhibit 20). The first is creating organizational culture for cross selling. This reflects to the findings of the data discussed previously above in this chapter. This includes creating positive attitude and perception for cross selling; creating professional knowledge/high

cognizance for cross selling in the organization; creating cross selling oriented leadership; and creating product awareness for Islamic banking products for consumers on an organizational level.

Exhibit 20: Emerging Conceptual Framework For Managerial Implication
(Source: Exhibit developed by author)



Second, creating cross selling friendly environment from a legal and standards perspective. This foremost and fundamentally includes standardization of sharia standards for both structuring and selling Islamic financial products; and standardization of regulatory policies that dictates legal disparities among local and international financial institutions. Third, creating cross selling capabilities that should make IFSI cross selling ready and capable. This includes updating technology necessary for data mining and data segmentation for identifying customer propensities for cross selling the right product to the right customer at the right time; facilitating

product innovation and product development for increasing Islamic financial product suites for cross selling purposes; finally facilitating technology and logistics for intra-department communication and transactions for cross selling purpose.

This framework provides managers with a guide map for cross selling implementation in IFSI by means of empirically establishing the comprehensive elements that collectively interplay in achieving cross selling. However, an empirical investigation is further needed to establish the quantifiable scale of relationships between the elements for future research implications. For example, it is not known how much in terms of percentage the lack of IT enabled CRM technology affects cross selling efforts in IFSI, and how much that actually affects the integration of intra-departmental cross selling communication.

CHAPTER 6. CONCLUSION

6.1. INTRODUCTION AND SUMMARY OF RESEARCH FINDINGS

The discussion of finding for this research was presented in previous Chapter 5. This Chapter will conclude all the previous discussions and findings in light of the contribution and implications this study makes on the nature of cross selling in IFSI. In view of the aim of this study, which was to explore the nature of cross selling in IFSI and its objectives, this study concludes as follows:

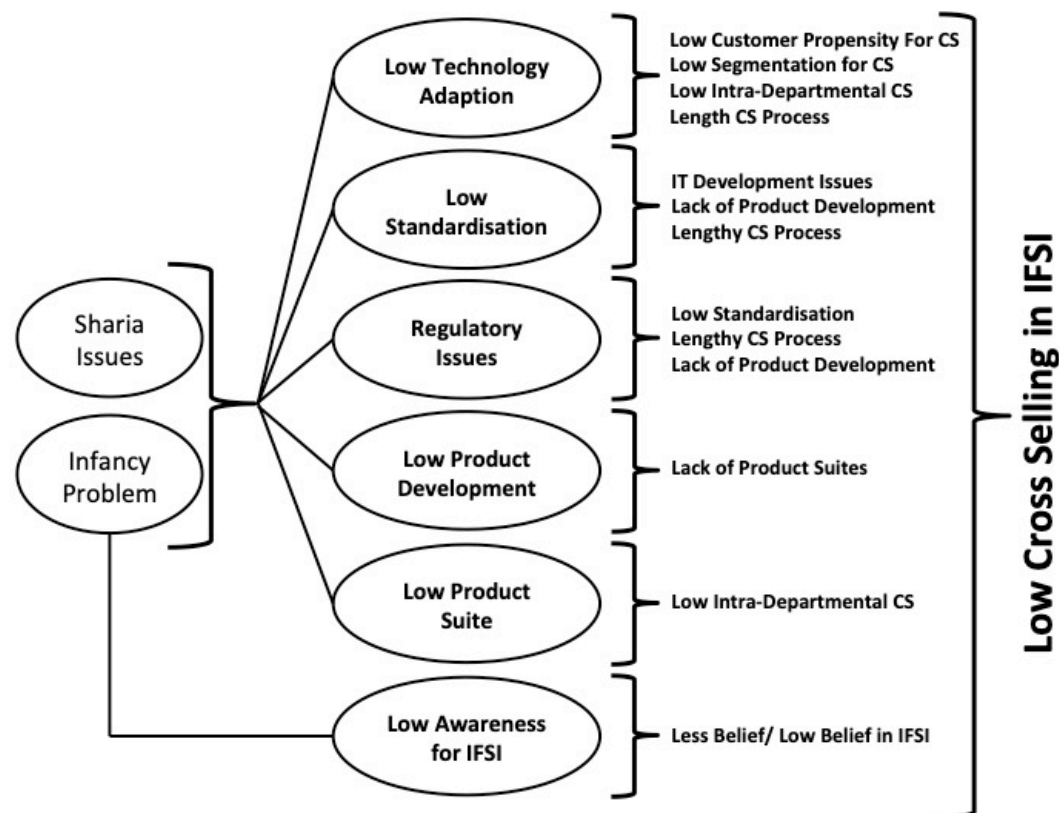
First, IFSI although struggling to achieve cross selling has an overall positive attitude for cross selling, which is imperative for future cross selling efforts and developments. Also, there is professional understanding and high cognisance for cross selling among all executive and senior managers in IFSI. This gives optimism to the future of cross selling in IFSI with regards to future directions and corporate strategy implementation for cross selling efforts. It was the geo-economic factors like 2008 economic crisis, asset growth limitations, and changing market sophistications that pushed IFSI to cross selling initiatives to keep in growing market competition. The purpose and motivation to do cross selling was similar to that of conventional banks, namely, to gain customer knowledge, to gain high customer retention, customer loyalty, less attrition, high revenue, low acquisition cost, and promoting product awareness.

Second, in regards to the practice of cross selling in IFSI, this study concludes there are certain issues that influences cross selling efforts, mostly to cause low cross selling, and further interplay to influence other factors for the same. The primary issues constitute of two factors that are basically causing low cross selling in IFSI by means of inhibiting other factors imperative for cross selling. These factors are IFSI infancy and Sharia inherent issues (see Exhibit 21). IFSI as a whole has not achieved cross selling as a priority yet and is still in its infancy stage and therefore has been much consumed with other priorities. Smaller Islamic banks focus more on acquiring new customers, New To Bank (NTB) customers, to build their customer base and account books and focus less on cross selling because of limited capabilities.

The IFSI infancy and Sharia inherent issues have together interplayed to cause regulatory and standardisation issues in IFSI. IFSI is still undergoing many regulatory reforms in order to adjust to competitive mature markets, which has less prioritise and lower the overall cross selling efforts in IFSI. Also tier 2 and tier 3 Islamic banks are not much big in size and so lacks the customer base and sophistication for efficient cross selling. Although Tier 1 Islamic banks have come up quite progressively in meeting regulatory reforms but a majority of the Islamic banks are still coping with keeping to those reform changes and still evolving in terms of cross selling.

Further, sharia specific requirements of additional documentations have increased the transaction process time making cross selling less flexible. Sharia compliant products vary in structure and policies from bank to bank due to Sharia specific issues that are subjective to religious interpretation by different scholars, making IFSI more fragmented and less standardised.

Exhibit 21: Issues Affecting in Low Adoption of Cross Selling in IFSI
(Source: Exhibit developed by author)



This has further caused to effect product development reducing the overall Islamic product portfolio for cross selling purpose. Product development for cross selling in IFSI is a challenge because of sharia inherent risks that exposes Islamic banks to fluctuating market risks. Also there is a dearth of professionals who understand both technical side of the banking operations and also sharia. This makes product development and innovation in IFSI even further challenging.

The other problem is the belief issue. Since IFSI is relatively much recent to conventional banks, it is yet to be discovered and understood by banking customers who lack banking literacy and awareness. It is much due to this lack of awareness and banking literacy that many Muslims do not believe in Islamic banks to be Islamic. Majority of the customers cannot distinguish between the concept of *riba* (bank interest) from bank profit. Besides, on the part of IFSI there are not much efforts being made in terms of awareness programs and campaigns to educate people about Islamic finance.

The other problem arising from the infancy and sharia inherent issues is the problem of technology. IFSI is less flexible to adopt and adapt to the ready-to-use fintech (financial technology), which are not customised to comply with sharia specific requirements. Advance IT systems for banking solutions are mostly designed to cater and function for conventional banking needs and so IFSI suffers a technology deficit in this regards. The problem that makes it further complicated is the development of advance financial technology solutions for IFSI. This is because apart from being in infancy stage, IFSI lacks policy framework to guide fintech work process because of lack of sharia and policy standardisation.

Third, in specific regards to how IFSI does cross selling and how it compares to conventional banks in terms of cross selling, the interplay of issues have caused a web of cross selling complications. The issue of lack of advance technology has further affected customer propensity identification and customer segmentation issues for cross selling purposes. Customer segmentation in IFSI for cross selling purpose is still very basic and no advance data mining sciences are being applied in extracting the data for segmenting customers for cross selling purposes except for a single bank that is in the testing phase of the technology. Similarly, customer propensity for identifying cross selling customers is still not fully achieved because of lack of proper

data analytics and other imperative IT enabled CRM technology except for very few Islamic banks that are in Tier 1 category. This has overall greatly affected cross selling efforts in the IFSI as the lack of proper technology makes IFSI not cross sell effectively and efficiently as needed.

Islamic banks are not fully CRM ready yet and not available to all Islamic banks in tier 1 category let alone tier 2 and 3 Islamic banks. The lack of CRM and other fintech solutions have indirectly affected the cross selling strategy implementation in IFSI. Cross selling is not implemented as a strategy in some of the tier 2 and tier 3 Islamic banks that yet do not have proper CRM technology. Although there are evidences for other non-technology related cross selling strategies where Islamic banks integrate with third party solutions to cross sell investment and car loan products. However, this was evident only in tier 1 Islamic banks. Cross selling in IFSI is generally more on a personal human effort rather than automation where cross selling happens automatically through IT enabled functions like CRM. There are very few claims to incentivising these cross sell efforts in IFSI and only tier 1 Islamic banks openly admits to incentivising cross selling efforts.

There are claims for intra-departmental cross selling in IFSI but customer demands for intra-departmental product needs are still not completely met. The lack of product suites needed for intra-departmental cross selling in IFSI makes it less feasible. The method, efficiency, performance, and IT sophistication for complex data integration for intra-departmental cross selling is unknown.

Fourth, cross selling as a concept largely remains the same for both IFSI and conventional banks. Objectives for cross selling are also the same in both conventional and IFSI and they cross sell for the same reasons. Tools for cross selling and cross selling medium employed in both IFSI and conventional banks are also mostly similar, however, they hugely differ in the quantity and quality of these tools. The differences arise from the capability to do cross selling and the religious ideological differences that effects cross selling efforts. The other difference that is affecting cross selling in IFSI is that it is still somewhere product oriented and relying on being “Islamic” as a customer retention and acquisition strategy to attract Muslim customers. It has yet not completely switched to relationship marketing prerequisite

for cross selling although the top management in IFSI is pitching for cross selling initiative in all departments.

There is a shared sense of importance for cross selling across all the banking team and hierarchy in most of the tier 1 and tier 2 Islamic banks. Initiatives been taken in certain IFSI, mostly tier 1 Islamic banks, to monitor and benchmark cross selling progress by way of regular audits and checks which are reviewed on a monthly basis. IFSI is already on its path to cross selling and will take some time before it becomes fully cross sell ready as it is still evolving. Overall, tier 1 Islamic banks have achieved cross selling more successfully than other tier Islamic banks so far.

6.2. THEORETICAL CONTRIBUTION AND IMPLICATIONS FOR FUTURE RESEARCH

This research theoretically enumerates to the available literature on cross selling by means of extending its theoretical contribution in the specific context of IFSI. This research has theoretically contributed in extending the knowledge of cross selling within the unique context of IFSI, which has not yet been empirically researched previous to this study. This study claims to be the first in its kind to explore the reasons why cross selling is practiced in IFSI, and first to explore how cross selling is practiced in IFSI and the challenges it faces in implementing cross selling. This study also claims to be the first to explore how cross selling in IFSI compares to cross selling in conventional banks.

The theoretical contribution of this study lies in its identification of cross selling practices, efforts and initiatives taken in IFSI, and the challenges it faces in implementing those efforts and practices. This research theoretically contributes to the literature on cross selling in context of identifying issues of cross selling capabilities and the religious ideological differences that affects cross selling practice and efforts in IFSI. This research also contributes to the cross selling literature by means of proposing a conceptual framework for managerial implications on a macro level. It contributes by way of identifying cross selling elements necessary for achieving successful cross selling in IFSI. The conceptual framework will also help future researchers to further test and empirically establish the relationship between these elements, and to identify contribution of each element in providing the collective interplay towards achieving cross selling.

The findings of this research also implies that cross selling in IFSI is not exactly the same as in conventional banks and is far behind in practice due to the sharia inherent issues and differences of policies around working mechanisms within the IFSI. The study finds that these issues have further complicated the standardisation and regulatory issues in IFSI for cross selling purposes, which has further complicated the issue of processing and product development. This to a certain extent has limited cross selling in IFSI. This research implies that IFSI needs to standardise its sharia position regarding product structuring and also standardise its regulatory framework for creating standardise cross selling work in IFSI. This study implies that IFSI needs to build its fintech solutions based on agreed standards for all cross selling products enabling technology development for cross selling solutions in IFSI.

This study on the basis of its findings has identified knowledge gaps for future research implications, which are as follows:

First, although this study finds high cognisance and professional knowledge amongst executive and senior managers, however, this study does not provide quantitative scale for the efficiency of professional knowledge around cross selling. Further study is needed to empirically quantify the cross selling cognisance in IFSI. It is still not clear in terms of knowledge and training scale how efficient IFSI is in creating cross selling “work”.

Second, There is a need for further study to quantify the effect of cross selling on liquidity risk management in IFSI, and how successfully cross selling is providing financial stability in terms of profitability and asset growth. This is because IFSI has a shallow money market with less participants to contribute in maintaining deposits for high return profit. This reduces revenue generation, as maintaining liquidity buffer for liquidity risk means less lending and less revenue. It is therefore essential to know how cross selling initiative, specially after the 2008 economic crisis has helped IFSI in improving liquidity risk.

Third, the scale of CRM implementation and the digital engagement in IFSI is unknown. This study identifies the need to further study the scale of CRM implementation in IFSI and the problems inhibiting its full potential and also to investigate the impact of digital engagement for banking on cross selling ratio for future implications. Fourth, no study has so far directly looked into intra-departmental

cross selling in IFSI or how it affects the whole cross selling experience. This study suggests further investigation into quantifying the impact of departmental integration (intra-department) on cross selling efforts.

Finally, as previously mentioned above, this research also extends its contribution by way of proposing the conceptual framework for managerial implication based on the research findings of this study (see Exhibit 20: Emerging Conceptual Framework For Managerial Implication). For future research implication this study further propose to empirically quantify the relationship of cross selling elements mentioned in Exhibit 20. This would help empirically establish the relationships of elements that interplay to influence cross selling efforts in IFSI.

6.3. RESEARCH LIMITATIONS

Keeping in view of the data collection this research has certain limitations. First, the interview data for this research was collected only from Islamic banks operating in UAE which makes this research confine to geographical specific limitations and does not necessarily gives a holistic view of IFSI globally. There is a possibility of geo-cultural bias in regards to organisational culture, organisational policies and behaviour effecting cross selling efforts in IFSI, which might not necessarily reflect the same in other IFSI operating countries. To mitigate this research bias, this research suggests to further conduct similar studies in other IFSI operating countries keeping specific reference to geographic differences and similarities.

Second, the interviews for data collections were carried out from single one-time interviews without the benefit to reproach the respondents a second time to further discuss on narrative building from same and other previous interviews. This was not possible as the respondents were not easy to access because of the nature of their busy schedules and their position as executive and senior managers. It would require for meeting requests weeks in advance if not months and still the appointments were not guaranteed. This has limited the research to further include other variables and factors that might be affecting the overall cross selling efforts in IFSI. This research gives opportunity for other similar researches in future to build upon their narrative on the findings of this research to further their research queries.

REFERENCES

- AAOIFI. (2017). Shari 'a Standards. Manama: King Fahd National Library Cataloging-in-Publication Data.
- Adamson, R. (2006). Cross-Sell To Success: Learn How One Advisor Made Court Of The Table By Cross-Selling Just One Additional Product. *Advisor Today*, 101(3), 66.
- Agariya, A. K., & Singh, D. (2011). What Really Defines Relationship Marketing? A Review Of Definitions And General And Sector-Specific Defining Constructs. *Journal of Relationship Marketing*, 10(4), 203-237.
- Ahmad, H. M. (2011). *A Critical Study On The Factors That Causes Financial Instabilities And The Islamic Economic Perspective With Reference To Minsky's Financial Instability Hypotheses*. (MA Financial Management), Durham University.
- Ahmad, R., & Buttle, F. (2001). Customer Retention: A Potentially Potent Marketing Management Strategy. *Journal of Strategic Marketing*, 9(1), 29-45.
- Ahmed, A. A., Mohamad, A., & Kashi, A. (2017). Does An Islamic Finance Industry Need A Unification Of Standards? A Qualitative Discussion. *arab law quarterly*, 31(4), 336-362.
- Ahmed, H. (2011). *Product Development in Islamic Banks*. Edinburgh Guide To Islamic Finance: Edinburgh University Press.
- Ahmed, T. T. (2016). An Empirical Examination of Customer Relationship Management (CRM) Implementation in Islamic Banks. *International Journal of Academic Research and Reflection*, 4(2), 14-25.
- Ahmetoglu, G., Furnham, A., & Fagan, P. (2014). Pricing Practices: A Critical Review Of Their Effects On Consumer Perceptions And Behaviour. *Journal of Retailing and Consumer Services*, 21(5), 696-707.
- Alsajjan, B., & Dennis, C. (2006). The Impact Of Trust On Acceptance Of Online Banking.
- Alsayyed, N. (2010). The Uses And Misuses Of Commodity Murabaha: Islamic Economic Perspective. *MPRA Paper*, No. 20262.
- Alsoud, G. F. A., & Abdallah, M. K. A. (2013). Customer Awareness and Satisfaction of Islamic Retail Products in Kuwait. *Research Journal of Finance and Accounting*, 4(17), 36-52.
- Amjad, M. (2014). *In-Depth Thematic Analysis Of Strategy Implementation Barriers*. Paper presented at the British Academy of Management Conference, Belfast, UK.
- Anand, S., Hughes, J., Bell, D., & Patrick, A. (1997). *Tackling The Cross-Sales Problem Using Data Mining*. Paper presented at the Proceedings of the First Pacific-Asia Conference on Knowledge Discovery and Data Mining.
- Andriosopoulos, K., Pasiouras, F., & Zopounidis, C. (2013). Recent Developments In Financial Markets And Banking. *Journal of banking and finance*, 37(12), 5392-5393.
- Ansell, J., Harrison, T., & Salazar, M. T. (2007). An Approach for the Identification of Cross-sell and Up-sell Opportunities using a Financial Services Customer Database. *Journal of Financial Services Marketing*, 12(2), 115-131. doi:10.1057/palgrave.fsm.4760066
- Arbouna, M. B. (2007). The Combination Of Contracts In Shariah: A Possible Mechanism For Product Development In Islamic Banking And Finance. *Thunderbird International Business Review*, 49(3), 341-369.
- Ariss, R. T., & Sargedine, Y. (2007). Challenges In Implementing Capital Adequacy Guidelines To Islamic Banks. *Journal of banking regulation*, 9(1), 46-59.
- Attride-Stirling, J. (2001). Thematic Networks: An Analytic Tool For Qualitative Research. *Qualitative research*, 1(3), 385-405.
- Augusto de Matos, C., Luiz Henrique, J., & de Rosa, F. (2009). The Different Roles Of Switching Costs On The Satisfaction-Loyalty Relationship. *International Journal of Bank Marketing*, 27(7), 506-523.

- Awan, A. G., & Azhar, M. (2014). Consumer Behaviour Towards Islamic Banking In Pakistan. *European Journal of Accounting Auditing and Finance Research*, 2(9), 42-65.
- Baesens, B., Viaene, S., Van den Poel, D., Vanthienen, J., & Dedene, G. (2002). Bayesian Neural Network Learning For Repeat Purchase Modelling In Direct Marketing. *European Journal of Operational Research*, 138(1), 191-211.
- Baker, S. E., Edwards, R., & Doidge, M. (2012). How Many Qualitative Interviews Is Enough?: Expert Voices And Early Career Reflections On Sampling And Cases In Qualitative Research.
- Ballantyne, D., Christopher, M., & Payne, A. (2003). Relationship Marketing: Looking Back, Looking Forward. *Marketing Theory*, 3(1), 159-166.
- Barnes, B. R., Fox, M. T., & Morris, D. (2004). Exploring The Linkage Between Internal Marketing, Relationship Marketing And Service Quality: A Case Study Of A Consulting Organization. *Total Quality Management & Business Excellence*, 15(5-6), 593-601.
- Baxter, P., & Jack, S. (2008). Qualitative Case Study Methodology: Study Design And Implementation For Novice Researchers. *The qualitative report*, 13(4), 544-559.
- Becker, J. U., Greve, G., & Albers, S. (2009). The Impact Of Technological And Organizational Implementation Of CRM On Customer Acquisition, Maintenance, And Retention. *International Journal of Research in Marketing*, 26(3), 207-215.
- Berry, L. L. (1983). *Relationship Marketing*.
- Berry, L. L. (2002). Relationship Marketing Of Services Perspectives From 1983 And 2000. *Journal of Relationship Marketing*, 1(1), 59-77.
- Bhardwaj, D. (2007). Relationship Marketing In Context To The IT Industry. *Vision: The Journal of Business Perspective*, 11(2), 57-66.
- Bhattacharya, C. B., & Bolton, R. N. (2000). Relationship Marketing in Mass Markets. In J. N. Sheth & A. Parvatiyar (Eds.), *Handbook of relationship marketing* (pp. 327-355). Thousand Oaks, CA: SAGE Publications, Inc.
- Blaikie, N. (2003). *Analyzing Quantitative Data: From Description To Explanation*: Sage.
- Blattberg, R. C., Malthouse, E. C., & Neslin, S. A. (2009). Customer Lifetime Value: Empirical Generalizations And Some Conceptual Questions. *Journal of Interactive Marketing*, 23(2), 157-168.
- Bolton, R. N., Lemon, K. N., & Verhoef, P. C. (2004). The Theoretical Underpinnings Of Customer Asset Management: A Framework And Propositions For Future Research. *Journal of the Academy of Marketing Science*, 32(3), 271-292.
- Boyatzis, R. E. (1998). *Transforming Qualitative Information: Thematic Analysis And Code Development*. London: sage.
- Braun, V., & Clarke, V. (2006). Using Thematic Analysis In Psychology. *Qualitative research in psychology*, 3(2), 77-101.
doi:<http://dx.doi.org/10.1191/1478088706qp063oa>
- Brinkley, I. (2006). Defining The Knowledge Economy. *London: The work foundation*, 19.
- Bryman, A. (2016). *Social Research Methods* (5th ed.): Oxford university press.
- Bryman, A., & Bell, E. (2015). *Business Research Methods*: Oxford University Press, USA.
- Buttle, F. (2009). *Customer Relationship Management: Concepts And Technologies*: Routledge.
- Calomiris, C. W., & Pornrojngkool, T. (2009). Relationship Banking And The Pricing Of Financial Services. *Journal of Financial Services Research*, 35(3), 189-224.
- Campbell, D., Edgar, D., & Stonehouse, G. (2011). *Business Strategy: An Introduction*: Palgrave Macmillan.
- Campbell, D., & Frei, F. (2010). Cost Structure, Customer Profitability, And Retention Implications Of Self-Service Distribution Channels: Evidence From Customer Behavior In An Online Banking Channel. *Management Science*, 56(1), 4-24.
- Carson, D., Gilmore, A., Perry, C., & Gronhaug, K. (2001). *Qualitative Marketing Research*: Sage.

- Chang, W., Park, J. E., & Chaib, S. (2010). How Does CRM Technology Transform Into Organizational Performance? A Mediating Role Of Marketing Capability. *Journal of Business Research*, 63(8), 849-855.
- Changchien, S. W., Lee, C.-F., & Hsu, Y.-J. (2004). On-line Personalized Sales Promotion In Electronic Commerce. *Expert Systems with Applications*, 27(1), 35-52.
- Chapra, M. U. (1992). *Islam And The Economic Challenge*: IIIT.
- Chen, J., & Ching, K. R. (2007). The Effects of Customer Relationship Management Practices and Multiple-Channels on Customer Loyalty in Financial Services. *Asia Pacific Management Review*, 12(3), 171.
- Chen, M.-F., & Wang, L.-H. (2009). The Moderating Role Of Switching Barriers On Customer Loyalty In The Life Insurance Industry. *The Service Industries Journal*, 29(8), 1105-1123.
- Ciarrapico, A. M., & Cosci, S. (2011). European Banks And Cross-Selling. *Applied Economics Letters*, 18(6), 555-559. doi:10.1080/13504851003761749
- Cohen, D., Gan, C., Yong, H. H. A., & Chong, E. (2007). Customer Retention By Banks In New Zealand. *Banks and Bank Systems*, 2(1), 40-55.
- Collis, J., & Hussey, R. (2013). *Business Research: A Practical Guide For Undergraduate And Postgraduate Students*: Palgrave Macmillan.
- Coolen-Maturi, T. (2013). Islamic Insurance (Takaful): Demand And Supply In The UK. *International Journal of Islamic and Middle Eastern Finance and Management*, 6(2), 87-104. doi:DOI 10.1108/17538391311329806
- Corbin, J. M., & Strauss, A. (1990). Grounded Theory Research: Procedures, Canons, And Evaluative Criteria. *Qualitative sociology*, 13(1), 3-21.
- Cosci, S., Meliciani, V., & Sabato, V. (2009). Banks' diversification, Cross-Selling And The Quality Of Banks' Loans. *The Manchester School*, 77(1), 40-65.
- Cosci, S., Meliciani, V., & Sabato, V. (2015). The Role of Banks as Producers of Information: Can It Survive Competition and Cross-Selling Incentives? *Review of Economics & Finance*, 5, 60-77.
- Cova, B., & Elliott, R. (2008). Everything You Always Wanted To Know About Interpretive Consumer Research But Were Afraid To Ask. *Qualitative Market Research: An International Journal*, 11(2), 121-129. doi:doi:10.1108/13522750810864396
- Coyles, S., & Gokey, T. C. (2002). Customer Retention Is Not Enough. *The McKinsey Quarterly*, 2(2), 81-89.
- Coyles, S., & Gokey, T. C. (2005). Customer Retention Is Not Enough. *Journal of Consumer Marketing*, 22(2), 101-105.
- Doll, W. J., & Torkzadeh, G. (1998). Developing A Multidimensional Measure Of System-Use In An Organizational Context. *Information & Management* 33, 33(4), 171-185.
- Dusuki, A. W., & Abdullah, N. I. (2007). Why Do Malaysian Customers Patronise Islamic Banks? *International Journal of Bank Marketing*, 25(3), 142-160.
- Dzienziol, J., Eberhardt, M., Renz, A., & Schackmann, J. (2002). *Multi-Channel Pricing For Financial Services*. Paper presented at the System Sciences, 2002. HICSS. Proceedings of the 35th Annual Hawaii International Conference on System Sciences.
- E&Y. (2014). *World Islamic Banking Competitiveness Report 2014-15: Participation Banking 2.0*. Retrieved from Bahrain:
- Easterby-Smith, M., Thorpe, R., & Jackson, P. R. (2012). *Management Research*: Sage.
- Egan, J. (2008). *Relationship Marketing: Exploring Relational Strategies In Marketing*: Pearson education.
- Epstein, M. J., Friedl, M., & Yuthas, K. (2008). Managing Customer Profitability. *Journal of Accountancy*, 206(6), 54.
- Ernst, & Young. (2016). *World Islamic Banking Competitiveness Report 2016*. Retrieved from

- Euromoney. (2017). Technology Investments Drive Up Banks' Costs. Retrieved from <https://www.euromoney.com/article/b143rj4dz3cd92/technology-investments-drive-up-banks-costs>
- Farrell, J., & Klemperer, P. (2007). Coordination and Lock-In: Competition With Switching Costs And Network Effects. *Handbook of industrial organization*, 3, 1967-2072.
- Fazio, R. H. (1990). Multiple Processes By Which Attitudes Guide Behavior: The MODE Model As An Integrative Framework *Advances In Experimental Social Psychology* (Vol. 23, pp. 75-109): Elsevier.
- Fazio, R. H., & Towles-Schwen, T. (1999). The MODE Model Of Attitude-Behavior Processes. In S. Chaiken & Y. Trope (Eds.), *Dual-Process Theories In Social Psychology* (pp. 97-116). New York, US: Guilford Press.
- Feinberg, R., & Kadam, R. (2002). E-CRM Web Service Attributes As Determinants Of Customer Satisfaction With Retail Web Sites. *International Journal of Service Industry Management*, 13(5), 432-451.
- Ferreira, M. A., Matos, P., & Pires, P. (2018). Asset Management Within Commercial Banking Groups: International Evidence. *The Journal of Finance*, 73(5), 2181-2227.
- Forsyth, K. (2004). Content Management: A Prerequisite To Marketing And Sales Effectiveness. *Journal of Medical Marketing: Device, Diagnostic and Pharmaceutical Marketing*, 4(3), 228-234.
- Gable, G. G., Sedera, D., & Chan, T. (2008). Re-Conceptualizing Information System Success: The IS-Impact Measurement Model. *Journal of the association for information systems*, 9(7), 18.
- Garcia, A. D. (2018). JPM, Big Banks Spend Billions On Tech But Innovation Lags. *BankRate*. Retrieved from <https://www.bankrate.com/banking/jpm-big-banks-spend-billions-on-tech-but-theyre-still-laggards/>
- Gartner, I. (2018). *Gartner Says CRM Became the Largest Software Market in 2017 and Will Be the Fastest Growing Software Market in 2018*. Retrieved from <https://www.gartner.com/newsroom/id/3871105>
- Gawronski, B. (2007). Editorial: Attitudes Can Be Measured! But What Is An Attitude? . *Social Cognition*, 25(5), 573-581.
- Gawronski, B., Rydell, R. J., De Houwer, J., Brannon, S. M., Ye, Y., Vervliet, B., & Hu, X. (2018). Contextualized Attitude Change *Advances in Experimental Social Psychology* (Vol. 57, pp. 1-52): Elsevier.
- Gholami, S., & Rahman, M. S. (2012). CRM: A Conceptual Framework Of Enablers And Perspectives. *Business and Management Research*, 1(1), p96.
- GIFR. (2017). *Islamic Finance In The Digital Age: Fintech Revolution (Global Islamic Finance Report 2017)*. Retrieved from http://gifr.net/gifr2017/ch_17.pdf
- Golez, B., & Marin, J. M. (2015). Price Support By Bank-Affiliated Mutual Funds. *Journal of Financial Economics*, 115(3), 614-638.
- Goodwin, C., & Gremler, D. D. (1996). Friendship Over The Counter: How Social Aspects Of Service Encounters Influence Consumer Service Loyalty. *Advances in services marketing and management*, 5, 247-282.
- Graf, A., & Maas, P. (2014). Customer Value From A Customer Perspective – A Comprehensive Review. In M. Bruhn & K. Hadwich (Eds.), *Service Value als Werttreiber* (pp. 59-87): Springer Fachmedien Wiesbaden.
- Grönroos, C. (1994). From Marketing Mix To Relationship Marketing: Towards A Paradigm Shift In Marketing. *Management decision*, 32(2), 4-20.
- Guelman, L., Guillén, M., & Pérez-Marín, A. M. (2014). A Survey Of Personalized Treatment Models For Pricing Strategies In Insurance. *insurance: Mathematics and Economics*, 58, 68-76.
- Gummesson, E. (2017). From Relationship Marketing To Total Relationship Marketing And Beyond. *Journal of Services Marketing*, 31(1), 16-19.

- Gupta, P., Singh, K., & Kainth, J. (2014). Enhancement of Efficiency and Effectiveness in Banking through CRM Systems: A Case of Indian Banking Industry. In M. Khosrow-Pour (Ed.), *Banking, Finance, and Accounting: Concepts, Methodologies, Tools, and Applications* (Vol. 1, pp. 410-434). USA: Information Resources Management Association.
- Haislip, J. Z., & Richardson, V. J. (2017). The Effect Of Customer Relationship Management Systems On Firm Performance. *International Journal of Accounting Information Systems*, 27, 16-29.
- Hambleton, R. K., & Cook, L. L. (1977). Latent Trait Models and Their Use in the Analysis of Educational Test Data. *Journal of Educational Measurement*, 14(2), 75-96.
- Hanzaee, K. H., & Sadeghi, T. (2010). Measuring Banks' Automated Service Quality: A Re-Examination and Extension in an Islamic Country. *World Applied Sciences Journal*, 8(7), 874-880.
- Harper, S. (2000). *The Lab, The Temple, And The Market: Reflections At The Intersection Of Science, Religion, And Development*: IDRC.
- Hartmann, A. W. (2010). Building Relationships to Last. *Journal of Financial Service Professionals*, 64(1).
- Hasan, M., & Dridi, J. (2011). The Effects Of The Global Crisis On Islamic And Conventional Banks: A Comparative Study. *Journal of International Commerce, Economics and Policy*, 2(02), 163-200.
- Howard, M., & Worboys, C. (2003). Self-Service: A Contradiction In Terms Or Customer-Led Choice? *Journal of Consumer Behaviour*, 2(4), 382-392.
- Huber, C. P., Lane, K. R., & Pofcher, S. (1998). Format Renewal In Banks-It's Not Easy. *The McKinsey Quarterly*(2), 148.
- IFDI. (2018). *The Islamic Finance Development Report 2018*. Retrieved from <https://repository.salaamgateway.com/images/iep/galleries/documents/20181125124744259232831.pdf>
- IFSB. (2018). *IFSI Stability Report 2018*. Retrieved from <https://www.moodyanalytics.com/regulatory-news/july-05-18-ifsib-releases-the-2018-stability-report-on-islamic-financial-services>
- In, Y., & Wright, J. (2014). Loss-Leader Pricing And Upgrades. *Economics Letters*, 122(1), 19-22.
- Ivan, R., & Kolozsi, L. (2011). Price Strategy in the Banking Activity. *Journal of Electrical and Electronics Engineering*, 4(2), 47.
- Janahi, M. A., & Al-Mubarak, M. M. S. (2017). The Impact Of Customer Service Quality On Customer Satisfaction In Islamic Banking. *Journal of Islamic Marketing*, 8(4), 595-604.
- Jarrar, Y. F., & Neely, A. (2002). Cross-Selling In The Financial Sector: Customer Profitability Is Key. *Journal of Targeting, Measurement and Analysis for Marketing*, 10(3), 282-296.
- Jobber, D., & Ellis-Chadwick, F. (2012). *Principles And Practice Of Marketing* (7th ed.). Berkshire: McGraw-Hill Higher Education.
- Johnson, P., & Clark, M. (2006). *Business And Management Research Methodologies*: Sage.
- Jones, M. A., Reynolds, K. E., Mothersbaugh, D. L., & Beatty, S. E. (2007). The Positive And Negative Effects Of Switching Costs On Relational Outcomes. *Journal of Service Research*, 9(4), 335-355.
- Kahn, K. B. (1996). Interdepartmental Integration: A Definition With Implications For Product Development Performance. *Journal of Product Innovation Management: AN INTERNATIONAL PUBLICATION OF THE PRODUCT DEVELOPMENT & MANAGEMENT ASSOCIATION*, 13(2), 137-151.
- Kamakura, W. A. (2008). Cross-Selling. *Journal of Relationship Marketing*, 6(3-4), 41-58. doi:10.1300/J366v06n03_03

- Kamakura, W. A., Kossar, B. S., & Wedel, M. (2004). Identifying Innovators for the Cross-Selling of New Products. *Management Science*, 50(8), 1120-1133.
doi:10.1287/mnsc.1040.0256
- Kamakura, W. A., Ramaswami, S. N., & Srivastava, R. K. (1991). Applying Latent Trait Analysis in the Evaluation of Prospects for Cross-Selling of Financial Services. *International Journal of Research in Marketing*, 8(4), 329-349.
- Kamakura, W. A., Wedel, M., de Rosa, F., & Mazzon, J. A. (2003). Cross-Selling Through Database Marketing: A Mixed Data Factor Analyzer For Data Augmentation And Prediction. *International Journal of Research in Marketing*, 20(1), 45-65.
doi:10.1016/s0167-8116(02)00121-0
- Kane, M. (2005). Why Most Cross-Selling Efforts Flop. *American Bankers Association Banking Journal (ABA Banking Journal)*, 97(2), 64.
- Kashif, M., Shukran, S. S. W., Rehman, M. A., & Sarifuddin, S. (2015). Customer Satisfaction And Loyalty In Malaysian Islamic Banks: A PAKSERV Investigation. *International Journal of Bank Marketing*, 33(1), 23-40.
- Kassim, K. M., Bahari, A., Kassim, N., Rashid, N. R. N. A., & Jusoff, K. (2009). Retaining Customers Through Relationship Marketing In An Islamic Financial Institution In Malaysia. *International Journal of Marketing Studies*, 1(1), 66-71.
- Kearney, A. T. (2012). *Future of Islamic Banking*. Retrieved from http://www.atkearney.com/financial-institutions/ideas-insights/article/-/asset_publisher/LCcgOeS4t85g/content/the-future-of-islamic-banking/10192
- Kennedy, J. F. (1960). Papers of John F. Kennedy, Pre-Presidential Papers (Senate Files Coliseum): Raleigh, North Carolina, 17 September 1960. Retrieved 31/10/2018, from John F. Kennedy Presidential Library and Museum
<https://www.jfklibrary.org/asset-viewer/archives/JFKSEN/0911/JFKSEN-0911-055>
- Khalifa, M., Yan Yu, A., & Ning Shen, K. (2008). Knowledge Management Systems Success: A Contingency Perspective. *Journal of Knowledge Management*, 12(1), 119-132.
- Khodakarami, F., & Chan, Y. E. (2014). Exploring The Role Of Customer Relationship Management (CRM) Systems In Customer Knowledge Creation. *Information & management*, 51(1), 27-42.
- Kim, M., Kliger, D., & Vale, B. (2003). Estimating Switching Costs: The Case Of Banking. *Journal of Financial Intermediation*, 12(1), 25-56.
- Knott, A., Hayes, A., & Neslin, S. A. (2002). Next-Product-To-Buy Models For Cross-Selling Applications. *Journal of Interactive Marketing*, 16(3), 59-75.
doi:10.1002/dir.10038
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). England: Pearson.
- Kumar, M., Kee, F. T., & Manshor, A. T. (2009). Determining The Relative Importance Of Critical Factors In Delivering Service Quality Of Banks: An Application Of Dominance Analysis In Servqual Model. *Managing Service Quality*, 19(2), 211-228.
- Kumar, N., Stern, L. W., & Anderson, J. C. (1993). Conducting Interorganizational Research Using Key Informants. *Academy of Management Journal*, 36(6), 1633-1651.
- Kurniati, R. R., Hamid, D., & Arifin, Z. (2015). The Effect of Customer Relationship Marketing (CRM) and Service Quality to Corporate Image, Value, Customer Satisfaction, and Customer Loyalty. *European Journal of Business and Management*, 7(11), 107-119.
- Lacey, R., & Morgan, R. M. (2008). Customer Advocacy And The Impact Of B2B Loyalty Programs. *Journal of Business & Industrial Marketing*, 24(1), 3-13.
- Larivière, B., & Van den Poel, D. (2005). Predicting Customer Retention And Profitability By Using Random Forests And Regression Forests Techniques. *Expert Systems with Applications*, 29(2), 472-484.

- Laux, C., & Walz, U. (2009). Cross-Selling Lending and Underwriting: Scope Economies and Incentives. *Review of Finance*, 13(2), 341-367. doi:10.1093/rof/rfn027
- Lee, D., Park, S.-H., & Moon, S. (2013). Utility-Based Association Rule Mining: A Marketing Solution For Cross-Selling. *Expert Systems with Applications*, 40(7), 2715-2725. doi:10.1016/j.eswa.2012.11.021
- Leech, N. L., & Onwuegbuzie, A. J. (2011). Beyond Constant Comparison Qualitative Data Analysis: Using Nvivo. *School Psychology Quarterly*, 26(1), 70.
- Leone, R. P., Robinson, L. M., Bragge, J., & Somervuori, O. (2012). A Citation And Profiling Analysis Of Pricing Research From 1980 To 2010. *Journal of Business Research*, 65(7), 1010-1024.
- Li, S., Sun, B., & Montgomery, A. L. (2011). Cross-selling the right product to the right customer at the right time. *Journal of Marketing Research*, 48(4), 683-700.
- Li, S., Sun, B., & Wilcox, R. T. (2005). Cross-Selling Sequentially Ordered Products: An Application to Consumer Banking Services. *Journal of Marketing Research*, 42(2), 233-239.
- Li, X., Gu, B., & Liu, H. (2013). Price Dispersion And Loss-Leader Pricing: Evidence From The Online Book Industry. *Management Science*, 59(6), 1290-1308.
- Liao, S.-h., Chen, Y.-j., & Hsieh, H.-h. (2011). Mining Customer Knowledge For Direct Selling And Marketing. *Expert Systems with Applications*, 38(5), 6059-6069.
- Liu, A. H. (2006). Customer Value And Switching Costs In Business Services: Developing Exit Barriers Through Strategic Value Management. *Journal of Business & Industrial Marketing*, 21(1), 30-37.
- Liu, C. h. (2013). Research of Customer Cross-selling Capability Based on Neural Network. *Information Technology Journal*, 12(21), 6412-6415. doi:10.3923/itj.2013.6412.6415
- Liu, Y. (2007). The Long-Term Impact Of Loyalty Programs On Consumer Purchase Behavior And Loyalty. *Journal of Marketing*, 71(4), 19-35.
- Liu-Thompkins, Y., & Tam, L. (2013). Not All Repeated Customers Are The Same: Designing Effective Cross-Selling Promotion On The Basis Of Attitudinal Loyalty And Habit. *Journal of Marketing*, 77(September 2013), 21-36.
- Lok, P., & Crawford, J. (2004). The Effect Of Organisational Culture And Leadership Style On Job Satisfaction And Organisational Commitment: A Cross-National Comparison. *Journal of Management Development*, 23(4), 321-338. doi:<https://doi.org/10.1108/02621710410529785>
- Lopez, J., Kozloski Hart, L., & Rampersad, A. (2007). Ethnicity And Customer Satisfaction In The Financial Services Sector. *Managing Service Quality: An International Journal*, 17(3), 259-274. doi:10.1108/09604520710744290
- Maas, P., & Graf, A. (2008). Customer Value Analysis In Financial Services. *Journal of Financial Services Marketing*, 13(2), 107-120.
- Madhani, P. M. (2016). Sales and marketing integration: Enhancing competitive advantages. *The IUP Journal of Business Strategy*, 13(4), 50-77.
- Mahmudi, S. (2013). Assessment of Unsecured Retail Credit Risk in Light of Cross Sell and Up Sell Strategy. *International Journal of Academic Research in Progressive Education and Development*, 2(3). doi:10.6007/IJARPED/v2-i3/110
- Mansoor, A. (2016). Study of Banc-Assurance for the Muslim Co-Operative Bank, Pune. *We'Ken-International Journal of Basic and Applied Sciences*, 1(2), 66-73.
- Martins, E. C., & Terblanche, F. (2003). Building Organisational Culture That Stimulates Creativity And Innovation. *European journal of innovation management*, 6(1), 64-74.
- Menconi, P. (2000). CRM 101: Building A Great Customer Relationship Management Strategy. *Defying the limit: Reaching New Heights in Customer Relationship Management, Montgomery Research, San Francisco, CA*, 31-33.

- Michalski, S., & Helmig, B. (2008). What Do We Know About The Identity Salience Model Of Relationship Marketing Success? A Review Of The Literature. *Journal of Relationship Marketing*, 7(1), 45-63.
- Minami, C., & Dawson, J. (2008). The CRM Process In Retail And Service Sector Firms In Japan: Loyalty Development And Financial Return. *Journal of Retailing and Consumer Services*, 15(5), 375-385.
- Mitchell, R. K., Morse, E. A., & Sharma, P. (2003). The Transacting Cognitions Of Nonfamily Employees In The Family Businesses Setting. *Journal of Business Venturing*, 18(4), 533-551.
- Mittal, M., Singh, J., Aggarwal, A., Kumari, K., & Yadav, M. (2014). Ordering Policy for Imperfect Quality Itemsets Using Cross Selling Effects. *International Journal of Modeling and Optimization*, 4(1), 25-30. doi:10.7763/ijmo.2014.v4.342
- Moon, J., Chadee, D., & Tikoo, S. (2008). Culture, Product Type, And Price Influences On Consumer Purchase Intention To Buy Personalized Products Online. *Journal of Business Research*, 61(1), 31-39.
- Morwitz, V., Greenleaf, E., & Johnson, E. J. (1998). Divide And Prosper: Consumers' Reaction To Partitioned Prices. *Journal of Marketing Research*, 35, 453-463.
- Muhammad Ridhwan, A. A., Shukor, S. A., & Abdullah, W. M. Z. W. (2014). A Specific Analysis of Service Quality Dimensions on Customer Satisfaction and Customer Loyalty: A Study of Al-Ijarah Thumma Al-Bai' (AITAB) and Vehicle Financing-i (Bai' Bithaman Ajil-BBA). *Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB)*, 3(2).
- Müller-Lankenau, C., Wehmeyer, K., & Klein, S. (2006). Strategic Channel Alignment: An Analysis Of The Configuration Of Physical And Virtual Marketing Channels. *Information Systems and e-Business Management*, 4(2), 187-216.
- Murad, M., Gill, S. A., & Ali, A. F. (2016). From Adoption of Products and Services Regarding Islamic Banking to Customer Awareness in Pakistan. *International Journal of Management & Organizational Studies*, 5(4).
- Musalem, A., & Joshi, Y. V. (2009). Research Note-How Much Should You Invest in Each Customer Relationship? A Competitive Strategic Approach. *Marketing Science*, 28(3), 555-565.
- Naser, K., Salem, A. A., & Nuseibeh, R. (2013). Customers Awareness and Satisfaction of Islamic Banking Products and Services: Evidence from the Kuwait Finance House. *International Journal of Marketing Studies*, 5(6). doi:10.5539/ijms.v5n6p185
- Nejatian, H., Sentosa, I., Piaralal, S. K., & Bohari, A. M. (2011). The Influence Of Customer Knowledge On CRM Performance Of Malaysian ICT Companies: A Structural Equation Modeling Approach. *International Journal of Business and Management*, 6(7), p181.
- Nevin, J. R. (1995). Relationship Marketing And Distribution Channels: Exploring Fundamental Issues. *Journal of the Academy of Marketing Science*, 23, 327- 334.
- Ngai, E. W., Xiu, L., & Chau, D. C. (2009). Application Of Data Mining Techniques In Customer Relationship Management: A Literature Review And Classification. *Expert Systems with Applications*, 36(2), 2592-2602.
- Nowell, L. S., Norris, J. M., White, D. E., & Moules, N. J. (2017). Thematic Analysis: Striving to Meet the Trustworthiness Criteria. *International Journal of Qualitative Methods*, 16(1), 1609406917733847.
- Nykamp, M. (2001). *The Customer Differential: The Complete Guide To Implementing Customer Relationship Management*: Amacom.
- Onakoya, A. B., & Onakoya, A. O. (2013). The Performance of Conventional and Islamic Banks in the United Kingdom: A Comparative Analysis. in *Journal of Research in Economics and International Finance (JREIF)*, 2(2), 29-38.

- Öztayşi, B., Kaya, T., & Kahraman, C. (2011). Performance Comparison Based On Customer Relationship Management Using Analytic Network Process. *Expert Systems with Applications*, 38(8), 9788-9798.
- Parvatiyar, A., & Sheth, J. N. . (2001). Customer Relationship Management: Emerging Practice, Process, And Discipline. *Journal of Economic and Social Research*, 3(2), 1-34.
- Payne, A., Christopher, M., Peck, H., & Clark, M. (1998). *Relationship Marketing For Competitive Advantage: Winning And Keeping Customers*: Butterworth-Heinemann.
- Payne, A., & Frow, P. (1999). Developing A Segmented Service Strategy: Improving Measurement In Relationship Marketing. *Journal of marketing management*, 15(8), 797-818.
- Peelen, E. (2005). *Customer Relationship Management*. Harlow: Financial Times Prentice Hall.
- Peelen, E., van Montfort, K., Beltman, R., & Klerkx, A. (2009). An Empirical Study Into The Foundations Of CRM Success. *Journal of Strategic Marketing*, 17(6), 453-471.
- Pelot, C. (2010). Driving Organic Growth: 5 Steps to Profitable Cross-selling. In B. I. S. f. Fiserv (Ed.), *A Practical Guide for Community Banks* (pp. 1-9). Atlanta: Fiserv, Inc.
- Peng, J.-L., Jeng, V., Wang, J. L., & Chen, Y.-C. (2017). The Impact Of Bancassurance On Efficiency And Profitability Of Banks: Evidence From The Banking Industry In Taiwan. *Journal of Banking & Finance*, 80, 1-13.
- Peppard, J. (2000). Customer Relationship Management (CRM) In Financial Services. *European Management Journal*, 18(3), 312-327.
- Peppers, D., & Rogers, M. (1995). A New Marketing Paradigm: Share Of Customer, Not Market Share. *Managing Service Quality: An International Journal*, 5(3), 48-51.
- Petter, S., DeLone, W., & McLean, E. (2008). Measuring Information Systems Success: Models, Dimensions, Measures, And Interrelationships. *European journal of information systems*, 17(3), 236-263.
- Pilcher, J. (2016). How Banks Can Snag More Wallet Share In The Next 12 Months. Retrieved from <https://thefinancialbrand.com/56424/cross-selling-banking-products/>
- Pillar, F. T., & Schaller, C. (2002). *Individualization Based Collaborative Customer Relationship Management: Motives, Structures, And Modes Of Collaboration For Mass Customization And CRM*. Working Paper. Technische Universitat München. Germany.
- Pitta, D. A. (1998). Marketing One-To-One And Its Dependence On Knowledge Discovery In Databases. *Journal of Consumer Marketing*, 15(5), 468-480.
- Poundstone, W. (2010). *Priceless: The Myth Of Fair Value (And How To Take Advantage Of It)*: Macmillan.
- Prasongsukarn, K. (2009). Customer Relationship Management: From Theory To Practice. *AU-GSB e-JOURNAL*, 2(1).
- Prinzie, A., & Van den Poel, D. (2006). Investigating Purchasing-Sequence Patterns For Financial Services Using Markov, MTD and MTDg Models. *European Journal of Operational Research*, 170(3), 710-734.
- Reichheld, F., & Sasser, W. E. (1990). Zero Defections: Quality Comes To Services. *Harvard Business Review*, 68(5), 105.
- Reichheld, F. F., Markey Jr, R. G., & Hopton, C. (2000). The Loyalty Effect-The Relationship Between Loyalty And Profits. *European Business Journal*, 12(3), 134-139.
- Remenyi, D., Williams, B., Money, A., & Swartz, E. (1998). *Doing Research In Business And Management: An Introduction To Process And Method*: Sage.
- Robson, J., Mäenpää, I., & Voutilainen, R. (2011). Value Through Combined Offerings Of Bank and Insurance. *International Journal of Bank Marketing*, 29(7), 535-554. doi:10.1108/02652321111177812

- Rocco, T. S., & Plakhotnik, M. S. (2009). Literature Reviews, Conceptual Frameworks, And Theoretical Frameworks: Terms, Functions, And Distinctions. *Human Resource Development Review*, 8(1), 120-130.
- Rodriguez, M., Peterson, R. M., & Ajjan, H. (2015). CRM/Social Media Technology: Impact On Customer Orientation Process And Organizational Sales Performance *Ideas in Marketing: Finding the New and Polishing the Old* (pp. 636-638): Springer.
- Rodriguez, M., Peterson, R. M., & Krishnan, V. (2018). Impact Of CRM Technology On Sales Process Behaviors: Empirical Results From Us, Europe, And Asia. *Journal of Business-to-Business Marketing*, 25(1), 1-10.
- Rusydiana, A. S. (2018). Developing Islamic Financial Technology In Indonesia. *Hasanuddin Economics and Business Review*, 2(2), 143-152.
- Salazar, M. T. (2010). *Modelling Cross-Sales To Promote Customer Retention In The Financial Services Industry: The 'who-What-When Framework'. Two Case Studies*. (PhD), Edinburgh University.
- Salazar, M. T., Harrison, T., & Ansell, J. (2015). An Analytical Framework to Stimulate Cross-Selling and Retention in the UK Financial Services Industry: A Case Study *Revolution in Marketing: Market Driving Changes* (pp. 246-251): Springer.
- Salleh, M. C. M. (2016). The Significant Contribution Of Islamic Relationship Marketing Practice In Malaysian Takaful Industry Towards Determining Customer Gratitude, Trust, And Commitment. *Asian Academy of Management Journal*, 21(1), 171-207.
- Saunders, M., Lewis, P., & Thornhill, A. (2011). *Research Methods For Bussiness Students* (5th ed.): Pearson Education India.
- Schmitz, C., Lee, Y.-C., & Lilien, G. L. (2014). Cross-Selling Performance in Complex Selling Contexts: An Examination of Supervisory- and Compensation-Based Controls. *Journal of Marketing*, 78(May 2014), 1-19.
- Seng, J.-L., & Chen, T. (2010). An Analytic Approach To Select Data Mining For Business Decision. *Expert Systems with Applications*, 37(12), 8042-8057.
- Seth, N., Deshmukh, S., & Vrat, P. (2005). Service Quality Models: A Review. *International Journal of Quality & Reliability Management*, 22(9), 913-949.
- Shahid Ebrahim, M., & Kai Joo, T. (2001). Islamic Banking in Brunei Darussalam. *International Journal of Social Economics*, 28(4), 314-337.
- Shang, S. S., & Lin, S. F. (2010). People-Driven Processes In Customer Relationship Management. *The Service Industries Journal*, 30(14), 2441-2456.
- Sharma, K. (2017). Developments In Bancassurance-Indian Life Insurance Industry. *PEOPLE: International Journal of Social Sciences*, 3(2).
- Sharp, B., & Sharp, A. (1997). Loyalty Programs And Their Impact On Repeat-Purchase Loyalty Patterns. *International Journal of Research in Marketing*, 14(5), 473-486.
- Sheth, J. N., & Parvatiyar, A. (1995). The Evolution Of Relationship Marketing. *International Business Review*, 4(4), 397-418.
- Shi, G., Shi, Y.-z., Chan, A. K., & Wang, Y. (2009). Relationship Strength In Service Industries A Measurement Model. *International Journal of Market Research*, 51(5), 659-685.
- Simpson, J. (2002). The Impact Of The Internet In Banking: Observations And Evidence From Developed And Emerging Markets. *Telematics and Informatics*, 19(4), 315-330.
- Sin, L. Y., Tse, A. C., & Yim, F. H. (2005). CRM: Conceptualization And Scale Development. *European Journal of Marketing*, 39(11/12), 1264-1290.
- Singh, S. K., & Gupta, S. (2015). *Entrepreneurship*: SBPD Publications.
- Sourelis, M., Lewis, B. R., & Karantinou, K. M. (2008). Factors That Affect Consumers' Cross-Buying Intention: A Model For Financial Services. *Journal of Financial Services Marketing*, 13(1), 5-16. doi:10.1057/fsm.2008.1

- Stefanou, C. J., Sarmaniotis, C., & Stafyla, A. (2003). CRM And Customer-Centric Knowledge Management: An Empirical Research. *Business Process Management Journal*, 9(5), 617-634.
- Storbacka, K. (1997). Segmentation Based On Customer Profitability—Retrospective Analysis Of Retail Bank Customer Bases. *Journal of marketing management*, 13(5), 479-492.
- Strack, F., & Deutsch, R. (2004). Reflective And Impulsive Determinants Of Social Behavior. *Personality and social psychology review*, 8(3), 220-247.
- Sum Chau, V., & Ngai, L. W. L. C. (2010). The Youth Market For Internet Banking Services: Perceptions, Attitude And Behaviour. *Journal of Services Marketing*, 24(1), 42-60. doi:10.1108/08876041011017880
- Tadajewski, M. (2006). Remembering Motivation Research: Toward An Alternative Genealogy Of Interpretive Consumer Research. *Marketing Theory*, 6(4), 429-466.
- Tag El-Din, S. I. (2008). Economic Analysis and Moral Policy: A Textbook of Islamic Economics. *Unpublished manuscript*.
- Tameme, M., & Asutay, M. (2012). An Empirical Inquiry Into Marketing Islamic Mortgages In The UK. *International Journal of Bank Marketing*, 30(3), 150-167. doi:10.1108/02652321211222531
- Tang, C., & Gao, Y. (2012). Intra-Department Communication And Employees' Reaction To Organizational Change: The Moderating Effect Of Emotional Intelligence. *Journal of Chinese Human Resources Management*, 3(2), 100-117.
- Thuring, F., Nielsen, J. P., Guillén, M., & Bolancé, C. (2012). Selecting Prospects For Cross-Selling Financial Products Using Multivariate Credibility. *Expert Systems with Applications*, 39(10), 8809-8816. doi:10.1016/j.eswa.2012.02.011
- Tomita, Y. (2019). Philosophy to Strategy: A Framework for Developing Business Strategy Based on Corporate Philosophy. *Review of Integrative Business and Economics Research*, 9(1).
- Tornjanski, V., Knežević, S., & Delibašić, B. (2017). A CRM Performance Measurement In Banking Using Integrated BSC And Customized ANP-BOCR Approach. *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies*, 22(1), 71-85.
- Tsao, H.-Y., Lin, P.-C., Pitt, L., & Campbell, C. (2009). The Impact Of Loyalty And Promotion Effects On Retention Rate. *Journal of the Operational Research Society*, 60(5), 646-651.
- Tversky, A., & Kahneman, D. (1975). Judgment Under Uncertainty: Heuristics And Biases *Utility, Probability, And Human Decision Making* (pp. 141-162): Springer.
- UKTI. (2014). *UK Excellence in Islamic Finance*. London: UK Trade & Investment, Institutional Investment & Infrastructure Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/367154/UKTI_UK_Excellence_in_Islamic_Finance_Reprint_2014_Spread.pdf.
- Van Waterschoot, W., & Van den Bulte, C. (1992). The 4P Classification Of The Marketing Mix Revisited. *The Journal of Marketing*, 83-93.
- Vatanasombut, B., Igbaria, M., Stylianou, A. C., & Rodgers, W. (2008). Information Systems Continuance Intention Of Web-Based Applications Customers: The Case Of Online Banking. *Information & management*, 45(7), 419-428.
- Vázquez-Casielles, R., Suárez-Álvarez, L., Río-Lanza, D., & Belén, A. (2009). Customer Satisfaction and Switching Barriers: Effects on Repurchase Intentions, Positive Recommendations, and Price Tolerance1. *Journal of Applied Social Psychology*, 39(10), 2275-2302.
- Verhoef, P. C., & Donkers, B. (2005). The Effect Of Acquisition Channels On Customer Loyalty And Cross-Buying. *Journal of Interactive Marketing*, 19(2), 31-43.
- Vyas, R. S., & Math, N. R. B. (2006). A Comparative Study Of Cross-Selling Practices In Public And Private Sector Banks In India. *Journal of Financial Services Marketing*, 10(4), 123-134. doi:<http://dx.doi.org/10.1057/palgrave.fsm.4760027>

- Waddell, D., & Sohal, A. S. (1998). Resistance: A Constructive Tool For Change Management. *Management decision*, 36(8), 543-548.
- Walliman, N. (2011). *Your Research Project: Designing And Planning Your Work*: Sage Publications.
- Wang, C.-Y. (2009). Investigating Antecedents Of Consumers' Recommend Intentions And The Moderating Effect Of Switching Barriers. *The Service Industries Journal*, 29(9), 1231-1241.
- Wang, H. (2013). The Study of Customer Knowledge Management in CRM. *Scientific Journal of E-Business*, 2(2).
- Welch, C., Marschan-Piekkari, R., Penttinen, H., & Tahvanainen, M. (2002). Corporate Elites As Informants In Qualitative International Business Research. *International Business Review*, 11(5), 611-628.
- Wong, W. K., Leung, S. Y. S., Guo, Z. X., Zeng, X. H., & Mok, P. Y. (2012). Intelligent Product Cross-Selling System With Radio Frequency Identification Technology For Retailing. *International Journal of Production Economics*, 135(1), 308-319. doi:10.1016/j.ijpe.2011.08.005
- Xue, L., Ray, G., & Whinston, A. B. (2006). Strategic Investment In Switching Cost: An Integrated Customer Acquisition And Retention Perspective. *International Journal of Electronic Commerce*, 11(1), 7-35.
- Yanti, E. M., Arfan, M., & Basri, H. (2018). The Effect of Third Party Funds, Financing to Deposit Ratio and Non Performing Financing toward Financing and its Impact on Profitability of Indonesian Sharia Banking (Studies at Sharia Commercial Banks Period 2011-2015). *Account and Financial Management Journal*, 3(01), 1240-1246.
- Yee, B., & Faziharudean, T. M. (2010). Factors Affecting Customer Loyalty of Using Internet Banking in Malaysia. *Journal of Electronic Banking Systems*, 1-22. doi:10.5171/2010.592297
- Yin, R. K. (2013). *Case Study Research: Design And Methods*: Sage publications.
- Yueh, L. (2014). Islamic Banking- Growing Fast But Can It Be More Than A Niche Market? *Talking Business - BBC News*. Retrieved from <http://www.bbc.co.uk/news/business-28365639>
- Yung, J. (2015). *Being Happy and Successful-The Entrepreneur in You: Discover Your Entrepreneurial Talent and Maximize Your Potential*: Partridge Publishing Singapore.
- Zablah, A. R., Bellenger, D. N., & Johnston, W. J. (2004). An Evaluation Of Divergent Perspectives On Customer Relationship Management: Towards A Common Understanding Of An Emerging Phenomenon. *Industrial Marketing Management*, 33(6), 475-489.
- Zboja, J. J., & Hartline, M. D. (2012). An Examination of High-Frequency Cross-Selling. *Journal of Relationship Marketing*, 11(1), 41-55.
- Zebal, M. A., & Saber, H. M. (2014). Market Orientation In Islamic Banks – A Qualitative Approach. *Marketing Intelligence & Planning*, 32(4), 495-527. doi:10.1108/mip-08-2013-0138
- Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The Behavioral Consequences Of Service Quality. *The Journal of Marketing*, 31-46.
- Zhang, R.-Q. (2012). An Extension Of Partial Backordering Eoq With Correlated Demand Caused By Cross-Selling Considering Multiple Minor Items. *European Journal of Operational Research*, 220(3), 876-881. doi:10.1016/j.ejor.2012.02.015
- Zhang, R.-Q., Zhang, L.-K., Zhou, W.-H., Saigal, R., & Wang, H.-W. (2014). The Multi-Item Newsvendor Model With Cross-Selling And The Solution When Demand Is Jointly Normally Distributed. *European Journal of Operational Research*, 236(1), 147-159. doi:10.1016/j.ejor.2014.01.006

- Zhao, T., Matthews, K., & Murinde, V. (2013). Cross-Selling, Switching Costs And Imperfect Competition In British Banks. *Journal of Banking & Finance*, 37(12), 5452-5462. doi:10.1016/j.jbankfin.2013.03.008
- Zineldin, M., & Philipson, S. (2007). Kotler And Borden Are Not Dead: Myth Of Relationship Marketing And Truth Of The 4Ps. *Journal of Consumer Marketing*, 24(4), 229-241.

APPENDIX

Ethical Approval Letter



Research, Innovation and Academic
Engagement Ethical Approval Panel

Research Centres Support Team
G0.3 Joule House
University of Salford
M5 4WT

T +44(0)161 295 7012

www.salford.ac.uk/

19 September 2017

Dear Mahmood,

RE: ETHICS APPLICATION SBSR1617-34 An Exploratory Study On The Nature Of Cross Selling
In The Islamic Financial Services Industry (IFSI)

Based on the information that you provided, I am pleased to inform you that your
application SBSR1617-34 has been approved.

If there are any changes to the project or its methodology, please inform the Panel as soon
as possible by contacting SBS-ResearchEthics@salford.ac.uk.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Percy'.

Professor David F. Percy
Chair of the Staff and Postgraduate Research Ethics Panel
Salford Business School

Participant Information Sheet



PARTICIPANT INFORMATION SHEET

Title of study:

An Exploratory Study On The Nature Of Cross Selling In The Islamic Financial Services Industry (IFSIs)

Name of Researcher:

Hamid Mahmood Ahmad

Invitation paragraph

I would like to invite you to take part in a research study. Before you decide you need to understand why the research is being done and what it would involve for you. Please take time to read the following information carefully. Ask questions if anything you read is not clear or would like more information. Take time to decide whether or not to take part.

What is the purpose of the study?

The purpose of this study is to explore the nature of cross selling in Islamic Financial Services Industry (IFSIs). Cross selling is one of the most prominent approaches towards retaining customers in conventional financial industry. However, the nature of cross selling in the Islamic financial services industry (IFSIs) is unknown. There is no known empirical study that informs cross selling in the IFSI in regards to its purpose, adoption, orientation, infrastructure support (e.g. IT) and organizational support. Therefore, this research will interview senior and middle management to understand and evaluate the nature of cross selling within the industry.

Why have I been invited to take part?

You have been chosen for this interview because of your knowledge and experience working as a professional in an Islamic financial industry.

Do I have to take part?

It is up to you to decide whether or not to take part. If you do decide to take part you will be able to keep a copy of this information sheet and you should indicate your agreement to the participant consent form. You can still withdraw at any time. You do not have to give a reason.

What will happen to me if I take part?

You will be asked interview questions around the research topic, which we estimate will take around an hour. For the ease of interview it will be audio recorded after seeking your consent for the same. You may also be requested to a brief follow-up interview if more information is needed.

Expenses and payments?

This research is self funded.

What are the possible disadvantages and risks of taking part?

No possible risk involved as this study only aims to understand the nature of cross selling in Islamic financial services industry. Participating in this research is not anticipated to cause you any disadvantages or discomfort as we strive to protect your confidentiality.

What are the possible benefits of taking part?

This research will help in understanding the nature of cross selling in the Islamic financial services industry (IFSIs), which will lay future foundations for further studies in this discipline.

What if there is a problem?

If you have any complaints about this research in the first instance you can contact the research supervisor for this research at the University of Salford

Will my taking part in the study be kept confidential?

All information that is collected during the course of this research will be kept strictly confidential, and any information about you that has your name and address will be removed so that you cannot be recognized.

What will happen if I don't carry on with the study?

If this research withdraws, all the information and data collected from you, to date, will be destroyed and you name removed from all the study files.

What will happen to the results of the research study?

Results of the research will be published. You will not be identified in any report or publication. Your institution will not be identified in any report or publication. If you wish to be given a copy of any reports resulting from the research, please let me know.

Who is organising or sponsoring the research?

This research is self funded

Further information and contact details:

Hamid Mahmood Ahmad (Researcher) h.mahmoodahmad@edu.salford.ac.uk
Dr. Muhammad Amjad (Research Supervisor) M.Amjad@salford.ac.uk
Michelle Jones (PGR Support) PGR-SupportSBS@salford.ac.uk

Consent Form For Interview Respondents



CONSENT FORM

Title of study:

An Exploratory Study On The Nature Of Cross Selling In The Islamic Financial Service Industry (IFSI)

Name of Researcher:

Hamid Mahmood Ahmad

Please complete and sign this form **after** you have read and understood the study information sheet. Read the statements below and yes or no, as applicable in the box on the right hand side.

- | | | |
|----|---|-------------------|
| 1. | I confirm that I have read and understand the study information sheet Version 3 of Participant Information Sheet, dated 15/08/2017 for the above study. I have had the opportunity to consider the information and ask questions which have been answered satisfactorily. | <div>Yes/No</div> |
| 2. | I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason, and without my rights being affected. | <div>Yes/No</div> |
| 3. | If I do decide to withdraw I understand that the information I have given, up to the point of withdrawal, may be used in the research. | <div>Yes/No</div> |
| 4. | I agree to participate by being interviewed | <div>Yes/No</div> |
| 5. | I understand that my personal details will be kept confidential and will NOT be revealed to people outside the research team | <div>Yes/No</div> |
| 6. | I understand that my anonymised data will be used in (the researcher's thesis/ research report), other academic publications and/ or conferences presentations. | <div>Yes/No</div> |
| 7. | I agree to take part in the study: | <div>Yes/No</div> |

Name

Date

Signature

Version 3

Date: (15.08.17)

List Of Nodes (Nvivo)

Name
RO3. How is CS in IFSI Different From Conventional CS
Objective for CS is the same in IFSI
Same thing different terminology
Same thing different approach
Same objectives different challenges
Same approach
Philosophy for CS is same
Not Different
Islamic Banking Analogy
Equally better to conventional
Difference is minuscule
CS Strategy is the same - McDonalds
CS Importance Same
CS Efforts & Challenges in IFSI Not Same as Conventional
Trusting the Scholars
Sharia Inhibits Unrestricted CS
Regulatory Challenges Inhibits CS
Product Centric Marketing
Not exploiting CS opportunities
Lack of Standardisation Limits CS in IFSI
Lack of skilled Talents Inhibits CS
Lack of Product Suits Inhibits CS
Lack of Islamic Banking Awareness
Lack of Intra-department synthesis
Lack of Incentives Inhibits CS
Lack of CS Culture and Leadership
Lack Good Support Systems
Its Halal
Infancy Stage, Weak Priority & Focus
IFSI does Unsolicited CS
IBs assume more risk than conventional
Developing CS product is Very Challenging
CS Process in IFSI is Lengthy
CS Far Behind Conventional, Not meeting customer needs
CS Efforts Low
CS Costly Because of Small Customer Base
Belief Problem Inhibits CS
Conventional Banks Better Than IFSI in CS
Standardisation

Large Product Suits
Far Ahead
Creates need for CS
Comparitively More Flexible & Easy
Better Infrastructure and Technology
All IFSI Not Same in CS
Tier 1 Banks up to date in CS
CS Priority Not Same
CS Practice Not Same
Small IBs focuses on new customer for CS than existing customers
CS Efforts Not Same
CS Capability Not Same
RO2. How CS is Done in IFSI
Segmentation for CS
Segmentation - Rudimentary
Segmentation - Affirmative
Medium for CS
Seminars
Relationship Managers
Pamphlets & Weekly News
One-to-one Basis
IT & Digital Marketing
SMS
Mobile Banking App
Management Information System (MIS)
Electronic Mails
CS through electronic statements
CRM
Banking Portals
ATMs
CS Through IVRs and call centres
Campaigning
IFSI Initiatives for cross selling efforts
Top Management CS Initiatives
Switching to Relationship Marketing
New To Bank (NTB) CS
Monitoring and Benchmarking CS Performance
Investing in Innovation and Technology
Intra-department CS
Incentives for CS
Improving CS Ratio

Comercial and Third Party Partnerships
Adopting Conventional Terminology for Islamic products
Identifying Cross Selling targets is still a challenge in IFSI
IFSI Practices CRM and Data Mining For Customer Propensity
CRM and Data Mining Practice is Negligible in IFSI
RO1. Reasons For IFSI Engagemnet in CS
Internal Factors That Motivates IFSI to CS
Low Aquisition Cost
Less Credit Risk
Increasing Product Acquaintance
High Revenue
High Retention & Loyalty, Less Attrition
Gaining Customer Knowledge
High Cognizance Towards CS
External Factors That Induced CS
Market sophistication
Economic Crisis
Asset Growth Limitations
Attitude Towards CS is Dominantly Positive
Positive Attitude Towards CS - Dominant
CS a Fundamental Need and Priority for Survival
an Understanding of Needs
an Intra-Department effort (Team Work)
a Strategy
a Fee Generating Revenue
a Culture
Negative Attitude Towards CS - Insufficient
a Tool for Exploitation